

UNITED STATES POSTAL SERVICE

CONGRESSIONAL BUDGET WORKPAPERS

FY 2010

Note: Inputs required in section V84:Y111 and B718:B722

FISCAL YEAR 2010 PRESIDENTS BUDGET HIGHLIGHTS

ITEM	ACTUAL FY 2008	USPS	OMB	OMB	USPS	OMB	OMB
		ESTIMATE FY 2009	PROPOSED ADJ.	ESTIMATE FY 2009	ESTIMATE FY 2010	PROPOSED ADJ.	ESTIMATE FY 2010
Workyears	773,542	735,469		735,469	717,746		717,746
Mail Volume (Millions of Pieces)	202,703	194,528		194,528	193,262		193,262
Mail Volume (Percent Change Over Previous Year)	-4.5%	-4.0%		-4.0%	-0.7%		-0.7%
Workyears (Percent Change Over Previous Year)	-5.4%	-4.9%		-4.9%	-2.4%		-2.4%
Change in Pieces Per Workyear (Percent Change Over Previous Year)	0.9%	0.9%	0	0.9%	1.8%		1.8%
Total Revenues and Operating Receipt Total Expenses	74,968,220 77,773,867	76,219,994 79,220,195		76,219,994 79,220,195	78,268,601 79,948,046		78,268,601 79,948,046
Net Income or (Loss)	(2,805,647)	(3,000,201)		(3,000,201)	(1,679,446)		(1,679,446)
Capital Commitments (\$000) Net Capital Commitments (\$000) Gross	2,181,000 1,676,906	1,512,000 1,512,000		1,512,000 1,512,000	1,100,000 1,100,000		1,100,000 1,100,000
Capital Outlays (\$000)	1,979,912	1,932,602		1,932,602	1,770,307		1,770,307

ACTUAL FISCAL YEAR: 2008 BUDGET HIGHLIGHTS

**COST SEGMENT 1
Postmasters**

Resources: Positions Workyears	Actual FY 2008	Estimate FY 2009	Change		Estimate FY 2010	Change	
			Amount FY 2009	Percent FY 2009		Amount FY 2010	Percent FY 2010
Expenses (\$000):							
Workyears	31,246	31,007	(239)	-0.8%	30,930	(76)	-0.2%
Salaries and Benefits	2,281,603	2,292,972	11,369	0.5%	2,430,813	137,841	6.0%
Travel and Transportation of Persons	36,385	35,257	(1,128)	-3.1%	39,163	3,906	11.1%
Transportation of Things	-	-	-	0.0%	-	-	0.0%
Benefits of Former Personnel	-	-	-	0.0%	-	-	0.0%
Total	2,317,988	2,328,229	10,241	0.4%	2,469,976	141,747	6.1%

Description:

This segment includes personnel costs that can be attributed to postmasters and district managers/postmasters. Segment 1 costs consist of the salaries, benefits, travel, and relocation costs recorded in general ledger sub-accounts 101 and 102. Also included are amounts recorded in account identifier codes related to the same sub-accounts.

**COST SEGMENT 2
Professionals and Supervisors**

Resources: Positions Workyears	Actual FY 2008	Estimate FY 2009	Change		Estimate FY 2010	Change	
			Amount FY 2009	Percent FY 2009		Amount FY 2010	Percent FY 2010
Expenses (\$000):	49,781	48,984	(798)	-1.6%	48,777	(206)	-0.4%
Salaries and Benefits	4,152,730	4,137,101	(15,629)	-0.4%	4,392,056	254,955	6.2%
Travel and Transportation of Persons	47,134	45,700	(1,434)	-3.0%	50,914	5,214	11.4%
Transportation of Things	-	-	-	0.0%	-	-	0.0%
Benefits of Former Personnel	89	89	0	0.0%	83	(6)	-6.4%
Total	4,199,953	4,182,890	(17,063)	-0.4%	4,443,053	260,163	6.2%

Description:

This segment includes personnel costs that can be attributed to supervisors and technical personnel in field installations, except those in custodial, building and equipment maintenance activities (Segment 11), motor vehicle service activities (Segment 12), and miscellaneous local operations (Segment 13). Managers of postal installations other than post offices are covered by this segment. Segment 2 costs consist of the salaries, benefits, travel, and relocation costs recorded in general ledger sub-accounts 103 and 130. Also included are amounts recorded in account identifier codes related to the same sub-accounts.

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ACTUAL FISCAL YEAR:

2008

**COST SEGMENT 3
Clerks and Mail Handlers CAG A-J**

Resources: Positions Workyears	Actual FY 2008	Estimate FY 2009	Change		Estimate FY 2010	Change	
			Amount FY 2009	Percent FY 2009		Amount FY 2010	Percent FY 2010
Expenses (\$000):							
Salaries and Benefits	18,595,615	17,370,536	(1,225,079)	-6.6%	17,878,657	508,121	2.9%
Travel and Transportation of Persons	19,036	18,472	(564)	-3.0%	20,659	2,187	11.8%
Transportation of Things	-	-	-	0.0%	-	-	0.0%
Benefits of Former Personnel	10	10	0	0.0%	9	(1)	-7.0%
Total	18,614,661	17,389,018	(1,225,643)	-6.6%	17,899,325	510,307	2.9%

Description:

This segment includes personnel costs that can be attributed to clerks and mail handler personnel in CAG A-J post offices, their classified stations and branches, processing and distribution centers/facilities, air mail centers, facilities, bulk mail centers, and remote encoding centers. Segment 3 costs consist of the salaries, benefits, travel and relocation recorded in general ledger sub-accounts 104 and 107. Also included are amounts recorded in account identifier codes related to the same sub-accounts.

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ACTUAL FISCAL YEAR:

2008

**COST SEGMENT 4
Clerks CAG K**

Description:	Actual	Estimate	Change	Percent	Estimate	Change	Percent
	FY 2008	FY 2009	Amount FY 2009	FY 2009	FY 2010	Amount FY 2010	FY 2010
Resources:							
Positions							
Workyears	87	85	(1)	-1.6%	85	(1)	-0.6%
Expenses (\$000):							
Salaries and Benefits	5,189	5,039	(150)	-2.9%	5,568	529	10.5%
Travel and Transportation of Persons	84	82	(2)	-2.0%	93	11	13.0%
Transportation of Things	-	-	-	0.0%	-	-	0.0%
Benefits of Former Personnel	-	-	-	0.0%	-	-	0.0%
Total	5,273	5,121	(152)	-2.9%	5,661	540	10.5%

This segment includes personnel costs that can be attributed to clerks in CAG K post offices. Segment 4 costs consist of the salaries, benefits, travel and relocation recorded in general ledger sub-account 105. Also included are amounts recorded in account identifier codes related to the same sub-accounts.

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ACTUAL FISCAL YEAR: 2008

**COST SEGMENT 6
City Delivery Carriers**

Resources: Positions Work/Years	Actual FY 2008	Estimate FY 2009	Change Amount FY 2009	Percent FY 2009	Estimate FY 2010	Change Amount FY 2010	Percent FY 2010
	238,480	226,901	(11,579)	-4.9%	219,025	(7,877)	-3.5%
Salaries and Benefits	16,459,713	15,858,787	(600,926)	-3.7%	16,418,511	559,724	3.5%
Travel and Transportation of Persons	8,350	8,097	(253)	-3.0%	9,031	934	11.5%
Transportation of Things	-	-	-	0.0%	-	-	0.0%
Benefits of Former Personnel	0	0	0	0.0%	0	-	0.0%
Total	16,468,063	15,866,884	(601,179)	-3.7%	16,427,542	560,658	3.5%

Description:

This segment includes personnel costs that can be attributed to city delivery carriers. Segment 6 includes office activity, and segment 7 includes street activity. Segment 6 and 7 costs consist of the salaries, benefits, travel and relocation recorded in general ledger sub-account 113. Also included are amounts recorded in account identifier codes related to the same sub-accounts.

**COST SEGMENT 8
Vehicle Drivers**

Resources: Positions Workyears Expenses (\$000):	Actual	Estimate	Change	Percent	Estimate	Change	Percent
	FY 2008	FY 2009	Amount FY 2009	FY 2009	FY 2010	Amount FY 2010	FY 2010
Salaries and Benefits	688,522	693,093	4,571	0.7%	755,727	62,634	9.0%
Travel and Transportation of Persons	378	367	(11)	-2.9%	411	44	11.9%
Transportation of Things	-	-	-	0.0%	-	-	0.0%
Benefits of Former Personnel	-	-	-	0.0%	-	-	0.0%
Total	688,900	693,460	4,560	0.7%	756,138	62,678	9.0%

Description:

This segment includes personnel costs that can be attributed to vehicle service drivers. Segment 8 costs consist of the salaries, benefits, travel and relocation costs recorded in general ledger sub-account 114. Also included are amounts recorded in account identifier codes related to the same sub-accounts.

**COST SEGMENT 10
Rural Carriers**

	Actual	Estimate	Change	Percent	Estimate	Change	Percent
	FY 2008	FY 2009	Amount FY 2009	FY 2009	FY 2010	Amount FY 2010	FY 2010
Resources:							
Positions							
Workyears	102,232	99,150	(3,082)	-3.0%	99,190	40	0.0%
Expenses (\$000):							
Salaries and Benefits	6,186,796	6,005,400	(181,396)	-2.9%	6,352,347	346,947	5.8%
Travel and Transportation of Persons	8,837	8,564	(273)	-3.1%	9,521	957	11.2%
Transportation of Things	539,553	634,967	95,414	17.7%	643,408	8,441	1.3%
Benefits of Former Personnel	(0)	(0)	(0)	0.0%	(0)	-	0.0%
Total	6,735,186	6,648,931	(86,255)	-1.3%	7,005,276	356,345	5.4%

Description:

This segment includes personnel costs that can be attributed to rural carriers. Segment 10 costs consist of the salaries, benefits, travel and relocation costs recorded in general ledger sub-account 112. Also included are amounts recorded in account identifier codes related to the same sub-accounts. Rural carrier equipment maintenance allowance costs (52462) are included in this segment.

**COST SEGMENT 11
Building, Plant and Operating Equipment**

Resources: Positions Workyears Expenses (\$000):	Actual	Estimate	Change	Percent	Estimate	Change	Percent
	FY 2008	FY 2009	Amount FY 2009	FY 2009	FY 2010	Amount FY 2010	FY 2010
Salaries and Benefits	3,368,106	3,310,268	(57,838)	-1.7%	3,484,343	174,075	5.3%
Travel and Transportation of Persons	21,399	20,837	(562)	-2.6%	23,711	2,874	13.8%
Transportation of Things	-	-	-	0.0%	-	-	0.0%
Benefits of Former Personnel	(0)	(0)	(0)	0.0%	(0)	-	0.0%
Other Services	107,699	105,632	(2,067)	-1.9%	99,364	(6,268)	-5.9%
Total	3,497,204	3,436,737	(60,467)	-1.7%	3,607,418	170,681	5.0%

Description:
This segment includes all personnel costs, including supervision, that can be attributed to building services, postal operating, building, and plant equipment maintenance, maintenance administrative support, and repair center activities. Segment 11 costs consist of the salaries, benefits, travel and relocation recorded in general ledger sub-accounts 121, 123, 125, 127, and 153. Also included are amounts recorded in account identifier codes related to the same sub-accounts. Costs for contract cleaners (52311) are included in this segment.

**COST SEGMENT 12
Vehicle Maintenance**

Resources: Positions Workyears Expenses (\$000):	Actual	Estimate	Change	Percent	Estimate	Change	Percent
	FY 2008	FY 2009	Amount FY 2009	FY 2009	FY 2010	Amount FY 2010	FY 2010
Salaries and Benefits	458,643	464,127	5,484	1.2%	490,028	25,901	5.6%
Travel and Transportation of Persons	1,608	1,585	(23)	-1.4%	1,778	193	12.2%
Transportation of Things	16,519	16,861	342	2.1%	15,916	(945)	-5.6%
Benefits of Former Personnel	-	-	-	0.0%	-	-	0.0%
Communication, Utilities, and Misc.	2	2	(0)	-3.5%	2	-	0.0%
Other Services	179,867	176,201	(3,666)	-2.0%	159,280	(16,921)	-9.6%
Supplies and Materials	378,754	405,323	26,569	7.0%	284,382	(120,941)	-29.8%
Inventory Adjustments	358,844	367,640	8,796	2.5%	360,406	(7,234)	-2.0%
Total	1,394,237	1,431,739	37,502	2.7%	1,311,792	(119,947)	-8.4%

Description:

This segment includes all personnel costs, including supervision, that can be attributed to motor vehicle maintenance services. Segment 11 costs consist of the salaries, benefits, travel and relocation recorded in general ledger sub-account 1141. Also included are amounts recorded in account identifier codes related to the same sub-accounts. Costs for motor vehicle supplies, materials, maintenance, and vehicle hire are included in this segment.

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ACTUAL FISCAL YEAR:

2008

**COST SEGMENT 13
Miscellaneous Field Operations**

Description:	Actual	Estimate	Change	Percent	Estimate	Change	Percent
	FY 2008	FY 2009	Amount FY 2009	FY 2009	FY 2010	Amount FY 2010	FY 2010
Resources:							
Positions							
Workyears	661	661	-	0.0%	661	-	0.0%
Expenses (\$000):							
Salaries and Benefits	180,744	263,674	82,930	45.9%	330,921	67,247	25.5%
Travel and Transportation of Persons	25,795	25,049	(746)	-2.9%	27,841	2,792	11.1%
Transportation of Things	27,979	28,351	372	1.3%	27,621	(730)	-2.6%
Benefits of Former Personnel	-	-	(0)	0.0%	3	-	0.0%
Communication, Utilities, and Misc.	3	3	(0)	-8.1%	3	-	0.0%
Other Services	89,034	90,378	1,344	1.5%	87,395	(2,983)	-3.3%
Supplies and Materials	183,922	214,701	30,779	16.7%	188,436	(26,265)	-12.2%
Total	507,477	622,156	114,679	22.6%	662,217	40,061	6.4%

This segment includes personnel costs that can be attributed to the Mail Equipment Shops, the facility field offices, and the purchasing field service centers. Segment 13 costs consist of the salaries, benefits, travel and relocation costs recorded in general ledger sub-accounts 142, 146, and 148. Also included are amounts recorded in account identifier codes related to the same sub-accounts.

**COST SEGMENT 14
Transportation**

	Actual FY 2008	Estimate FY 2009	Change Amount FY 2009	Percent FY 2009	Estimate FY 2010	Change Amount FY 2010	Percent FY 2010
Resources: Positions Workyears	-	-	-	0.0%	-	-	0.0%
Expenses (\$000):							
Transportation of Things	6,898,478	7,763,422	864,944	12.5%	7,432,661	(330,761)	-4.3%
Total	6,898,478	7,763,422	864,944	12.5%	7,432,661	(330,761)	-4.3%

Description:

This segment includes the cost of non-Postal Service contractual resources used to transport domestic mail between Postal Service facilities within the United States of America. Air, highway, rail, and water transportation modes are included. (The cost of Postal Services used to transport mail, which include Vehicle Service Drivers and Postal Service owned vehicles, are included in Cost Segment 8.) This segment also includes the costs of transporting international mail between the United States and foreign countries, and the impact on international mail transportation of fluctuations in the international currency conversion exchange rates, known as Special Drawing Rights, or SDRs. The cost of overseas military and official U. S. Government mail and an exactly offsetting reimbursement from the U. S. Government is also included in this segment.

**COST SEGMENT 15
Building Occupancy**

Description:	Actual	Estimate	Change	Percent	Estimate	Change	Percent
	FY 2008	FY 2009	Amount FY 2009	FY 2009	FY 2010	Amount FY 2010	FY 2010
Resources:							
Positions							
Workyears				0.0%			0.0%
Expenses (\$000):							
Transportation of Things	161	162	1	0.9%	158	(4)	-2.8%
Rental Payments to GSA	48,000	44,000	(4,000)	-8.3%	48,000	4,000	9.1%
Rental Payments to Others	1,033,000	1,045,000	12,000	1.2%	1,048,000	3,000	0.3%
Communications, Utilities, and Misc	845,025	880,070	35,045	4.1%	868,017	(12,053)	-1.4%
Other Services	222,763	279,523	56,760	25.5%	202,362	(77,161)	-27.6%
Equipment	-	-	-	0.0%	-	-	0.0%
Capitalized Leases	(102,400)	(104,650)	(2,250)	2.2%	(106,714)	(2,064)	2.0%
Total	2,046,549	2,144,105	97,556	4.8%	2,059,823	(84,282)	-3.9%

This segment includes the non-capital related non-personnel costs of occupying and maintaining Postal Service owned and rented facilities. These costs include rent, heating fuel, building repairs and alterations, and utilities, such as gas, electricity, water, and voice telephone.

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ACTUAL FISCAL YEAR:

2008

**COST SEGMENT 16
Supplies and Services**

Resources: Positions Workyears	Actual FY 2008	Estimate FY 2009	Change		Estimate FY 2010	Change	
			Amount FY 2009	Percent FY 2009		Amount FY 2010	Percent FY 2010
Expenses (\$000):	219	219	-	0.0%	219	-	0.0%
Salaries and Benefits	17,397	17,610	213	1.2%	18,501	891	5.1%
Travel and Transportation of Persons	238	230	(8)	-3.2%	256	26	11.1%
Transportation of Things	311	236	(75)	-24.2%	236	0	0.1%
Benefits of Former Personnel	-	-	-	0.0%	-	-	0.0%
Communications, Utilities and Misc.	141,970	153,925	11,955	8.4%	159,978	6,053	3.9%
Printing and Reproduction	49,865	44,364	(5,501)	-11.0%	107,075	62,711	NM
Other Services	1,460,968	1,708,839	247,871	17.0%	1,500,089	(208,750)	-12.2%
Supplies and Materials	833,357	910,205	76,848	9.2%	635,293	(274,912)	-30.2%
Equipment	2,970	2,961	(9)	-0.3%	228,004	225,043	NM
Inventory Adjustments	205,677	194,860	(10,817)	-5.3%	193,257	(1,604)	-0.8%
Total	2,712,753	3,033,231	320,478	11.8%	2,842,689	(190,542)	-6.3%

Description:

This segment includes the non-personnel cost of supplies and spare parts, and the personnel cost of employees at Material Distribution Centers who purchase and maintain inventories of postal supplies and spare parts, and then distribute them to postal installations. Also included is the cost of printing and reproduction, including postage stock and other accountable paper, and the cost of contractual and other services, except those related to the transportation of mail which are included in Cost Segment 14, and those related to Headquarters Administration which are included in Cost Segment 18.

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ACTUAL FISCAL YEAR:

2008

**COST SEGMENT 17
Research and Development**

	Actual FY 2008	Estimate FY 2009	Change Amount FY 2009	Percent FY 2009	Estimate FY 2010	Change Amount FY 2010	Percent FY 2010
Resources: Positions Workyears	-	-	-	0.0%	-	-	0.0%
Expenses (\$000):							
Other Services	18,922	25,086	6,164	32.6%	17,169	(7,917)	-31.6%
Total	18,922	25,086	6,164	32.6%	17,169	(7,917)	-31.6%

Description:

This segment includes the costs of contractual services related to Reasearch and Development (R&D) initiatives on new technologies and equipment which primarily include efforts to improve mail processing technology, construction engineering, and field industrial engineering. Personnel costs for Postal Service employees engaged in R&D activities are described in Segment 18.

**COST SEGMENT 18
Administration and Area Operations**

Resources: Positions Workyears Expenses (\$000):	Actual	Estimate	Change	Percent	Estimate	Change	Percent
	FY 2008	FY 2009	Amount FY 2009	FY 2009	FY 2010	Amount FY 2010	FY 2010
Salaries and Benefits	8,402,132	8,317,589	(84,543)	-1.0%	8,509,545	191,956	2.3%
Travel and Transportation of Persons	63,187	61,227	(1,960)	-3.1%	68,007	6,780	11.1%
Transportation of Things	-	-	-	0.0%	-	-	0.0%
Benefits of Former Personnel	1,888,901	2,037,902	149,001	7.9%	2,090,908	53,006	2.6%
Communications, Utilities and Misc.	0	0	0	11.6%	0	(0)	-0.2%
Printing and Reproduction	1,135	1,636	501	44.1%	3,925	2,289	NM
Other Services	373,563	457,171	83,608	22.4%	446,379	(10,792)	-2.4%
Supplies and Materials	(443)	(458)	(15)	3.3%	(321)	137	-29.9%
Equipment	30	39	9	30.0%	2,996	2,957	NM
Total	10,728,505	10,875,106	146,601	1.4%	11,121,439	246,333	2.3%

Description:

This segment includes the personnel cost of employees at Headquarters, Headquarters related Field Service Units, and Area offices. Non-personnel costs specifically related to Headquarters or Area Administration, and miscellaneous support costs and contingencies which are corporatewide in nature are also included. Other costs included are awards and lump sum payments made to employees whose personnel costs are included in Segments 15, 16, 17, and 19, and corporatewide personnel costs which are not allocated by employee category. Only those awards and lump sum payments which relate to individual performance or some other circumstance unique to an individual are included in Segment 18. Awards and lump sum payments that are made to all or most employees in an employee category are included with the personnel cost of that employee category. Corporatewide personnel costs include workers' compensation, unemployment compensation, CSRS undunded liabilities, CSRS annuitant COLAs, annuitant health benefits, annuitant life insurance, repricing of annual leave, annuity protection program, and health benefits for employees on workers' compensation.

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ACTUAL FISCAL YEAR:

2008

COST SEGMENT 19
Support Services

	Actual FY 2008	Estimate FY 2009	Change Amount FY 2009	Percent FY 2009	Estimate FY 2010	Change Amount FY 2010	Percent FY 2010
Resources:							
Positions							
Workyears	44	44	(0)	-0.3%	44	-	0.0%
Expenses (\$000):							
Salaries and Benefits	4,810	4,803	(7)	-0.1%	4,984	181	3.8%
Travel and Transportation of Persons	571	553	(18)	-3.2%	614	61	11.0%
Transportation of Things	-	-	-	0.0%	-	-	0.0%
Benefits of Former Personnel	-	-	-	0.0%	-	-	0.0%
Other Services	52,903	55,365	2,462	4.7%	61,697	6,332	11.4%
Supplies and Materials	824	941	117	14.2%	815	(126)	-13.4%
Total	59,108	61,662	2,554	4.3%	68,110	6,448	10.5%

Description:

This segment includes the non-personnel cost of equipment maintenance training supplies and services, and the personnel cost of employees at the Maintenance Technical Support Center.

**COST SEGMENT 20
Depreciation and Servicewide**

Resources: Positions Workyears Expenses (\$000):	Actual	Estimate	Change	Percent	Estimate	Change	Percent
	FY 2008	FY 2009	Amount FY 2009	FY 2009	FY 2010	Amount FY 2010	FY 2010
Other Services	42,280	40,804	(1,476)	-3.5%	38,265	(2,539)	-6.2%
Supplies and Materials	5,585	3,288	(2,297)	-41.1%	2,394	(894)	-27.2%
Equipment	-	-	-	0.0%	-	-	0.0%
Insurance Claims and Indemnities	92,000	84,000	(8,000)	-8.7%	92,000	8,000	9.5%
Interest	40,000	114,000	74,000	NM	33,000	(81,000)	-71.1%
Land and Structures	-	-	-	0.0%	-	-	0.0%
Depreciation	2,433,763	2,470,394	36,631	1.5%	2,515,649	45,254	1.8%
Total	2,613,628	2,712,487	98,859	3.8%	2,681,308	(31,179)	-1.1%

Description:

This segment includes the cost of capital plant and equipment which consists of depreciation, amortization, and interest on debt. All Postal Service debt currently outstanding was incurred for the acquisition of capital. Also included in Segment 20 are claims, losses, and other non-capital amounts written off. Interest on retirement liabilities is reflected in Segment 20 so that all interest is included together in the same segment.

**COST SEGMENT 21
Capital Investments**

	Actual FY 2008	Estimate FY 2009	Change Amount FY 2009	Percent FY 2009	Estimate FY 2010	Change Amount FY 2010	Percent FY 2010
Resources:							
Positions							
Workyears				0.0%			0.0%
Expenses (\$000):							
Construction	345,916	238,192	(107,724)	-31.1%	104,489	(133,703)	-56.1%
Building Improvements	818,241	450,290	(367,951)	-45.0%	355,510	(94,780)	-21.0%
Mail Processing Equipment	576,974	499,023	(77,951)	-13.5%	433,135	(65,888)	-13.2%
Vehicles	43,362	11,406	(31,956)	-73.7%	8,861	(2,545)	-22.3%
Retail Equipment	12	27,590	27,578	NM	6,657	(20,933)	-75.9%
Postal Support Equipment	396,495	285,499	(110,996)	-28.0%	191,348	(94,151)	-33.0%
Total	2,181,000	1,512,000	(669,000)	-30.7%	1,100,000	(412,000)	-27.2%

Continued:

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ACTUAL FISCAL YEAR:

2008

**COST SEGMENT 21
Capital Investments**

Descriptions:

Construction and Building Improvements

This category includes funds for acquisition of sites, design and construction of new postal owned buildings, purchase of existing facilities, and improvement to existing leased and owned post office buildings.

Mail Processing Equipment:

The funds planned in this program are for the purchase of fixed mechanization, non-fixed mechanization and other mail handling equipment. Fixed mechanization is custom made to meet the requirements for a particular mail handling operation or a specific building. Non-fixed mechanization consists of automated modules of equipment such as optical character readers, bar code sorters, expanded zip retrofit kits, etc. This program is directed toward reducing costs in mail processing operations.

Vehicles:

The vehicle program consists of four vehicle requirement categories: carrier motorization, bulk transfer vehicles for delivery and intra/inter transport of the mails, law enforcement vehicles for postal inspector surveillance, and other maintenance of vehicles and buildings.

Customer Service Equipment:

This equipment supports post office lobby, window, and self-service programs. The Postal Service's objective is to render new and improved services to postal customers in the retail areas of post offices.

Posta Support Equipment:

Support equipment consists of such items as office machines and furniture, maintenance equipment, and automatic data processing equipment.

USPS - Confidential

ACTUAL FISCAL YEAR:

2008

Program and Financing (in millions of dollars)

	2008	2009 est.	2010 est.
Obligations by program activity:			
Reimbursable program:			
09.01			
09.02	54,194	52,239	54,986
09.03	6,895	7,763	7,032
09.04	2,171	2,250	2,210
09.05	2,643	2,837	2,653
09.06	23	25	21
09.07	10,551	10,936	10,796
09.08	40	114	33
	94	128	118
09.09	76,611	76,292	77,849
09.10	2,181	1,512	1,100
09.11	-	-	-
10.00	78,792	77,804	78,949

Obligations by program activity:
Reimbursable program:

Postal field operations
Transportation
Building occupancy
Supplies and services
Research and development
Administration and area operations
Interest
Service-wide expenses

Subtotal
Capital investment

Changes in resources on order and inventory

Total new obligations

Statement of Operations (in millions of dollars)

	2007	2008	2009 est.	2010 est.
Revenue	74,973	74,968	76,220	78,269
Expense	-80,115	-77,774	-79,220	-79,948
Net income or loss(-)	-5,142	-2,806	-3,000	-1,679
Final Max Net Outlays		(2,417)	(3,808)	(4,034)

Object Classification (in millions of dollars)

	2008	2009 est.	2010 est.
11.1 Personnel compensation:			
Full-time permanent	32,487	31,304	31,495
Other than full-time permanent	5,088	4,733	5,230
11.5 Other personnel compensation	4,843	4,252	5,527
11.9 Total personnel compensation	42,418	40,289	42,252
12.1 Civilian personnel benefits	18,384	18,452	18,820
13.0 Benefits for former personnel	1,889	2,038	2,091
21.0 Travel and transportation of persons	233	226	252
22.0 Transportation of things	7,483	8,444	8,120
23.1 Rental payments to GSA	48	44	48
23.2 Rental payments to others	1,033	1,045	1,048
23.3 Communications, utilities and miscellaneous charges	987	1,034	1,028
24.0 Printing and reproduction	51	46	111
25.2 Other services	2,548	2,939	2,612
26.0 Supplies and materials	1,402	1,534	1,111
31.0 Equipment	828	1,052	831
32.0 Land and structures	1,356	463	500
42.0 Insurance claims and indemnities	92	84	92
43.0 Interest and dividends	40	114	33
99.9 Total new obligations	78,792	77,804	78,949

Personnel Summary

2001	2008	2009 est.	2010 est.
Total compensable workyears: civilian full-time equivalent employment	720,210	686,418	668,261
Straight time	53,332	49,051	49,485
Overtime and holiday premium			
Total	773,542	735,469	717,746

U.S. Postal Service
Statement of Revenue and Expense

	Actual Base Year	Proposed Adjustments Base Year	Adjusted Base Year	Estimate FY 2009 est.	Proposed Adjustments FY 2009 est.	Adjusted FY 2009 est.	Estimate FY 2010 est.	Proposed Adjustments FY 2010 est.	Adjusted FY 2010 est.
Revenue, Operating Receipts, and Other:									
Mail and Service Revenues	74,804,533,580		74,804,533,580	76,076,299,084		76,076,299,084	78,122,377,720		78,122,377,720
Appropriations									
Revenue Forgone	163,686,329		163,686,329	143,694,990		143,694,990	146,223,000		146,223,000
Other									
Estimated Net Impact of Potential New Rates	-		-						
Total Operating Revenue	74,668,219,909		74,668,219,909	76,219,994,074		76,219,994,074	78,268,600,720		78,268,600,720
Operating Expenses:									
Payable from the Postal Service Fund, Funded									
Postal Field Operations	54,194,000,000		54,194,000,000	52,239,000,000		52,239,000,000	54,986,000,000		54,986,000,000
Transportation	6,895,000,000		6,895,000,000	7,763,000,000		7,763,000,000	7,032,000,000		7,032,000,000
Building Occupancy	2,171,000,000		2,171,000,000	2,250,000,000		2,250,000,000	2,210,000,000		2,210,000,000
Supplies and Services	2,643,000,000		2,643,000,000	2,837,000,000		2,837,000,000	2,653,000,000		2,653,000,000
Research and Development	23,000,000		23,000,000	25,082,781		25,082,781	21,000,000		21,000,000
Admin. and Regional Operations	10,551,000,000		10,551,000,000	10,936,000,000		10,936,000,000	10,796,000,000		10,796,000,000
Support Services	40,000,000		40,000,000	114,000,000		114,000,000	33,000,000		33,000,000
Service-wide Expenses	94,000,000		94,000,000	128,000,000		128,000,000	118,000,000		118,000,000
Total Funded Expenses	76,611,000,000		76,611,000,000	76,292,082,781		76,292,082,781	77,849,000,000		77,849,000,000
Other Operating Expenses, Nonfunded									
Depreciation and Amortization	1,163,000,000		1,163,000,000	2,346,076,683		2,346,076,683	2,397,212,378		2,397,212,378
Expendable Equipment and Other	200,000		200,000	582,167,792		582,167,792	1,100,000,000		1,100,000,000
Total Other Operating Expenses	1,163,200,000		1,163,200,000	2,928,244,475		2,928,244,475	3,497,212,378		3,497,212,378
Total Operating Income (Loss)	(2,805,980,091)		(2,805,980,091)	(3,000,333,183)		(3,000,333,183)	(3,077,611,658)		(3,077,611,658)
Operating Summary									
Non-operating Income and Expense									
Interest on Debt	40,000,000		40,000,000	113,946,507		113,946,507	33,000,000		33,000,000
Interest on Retirement	-		-	0		0	0		0
Net Income (Loss) Before CS Retirement Reform Escrow	(2,845,980,091)		(2,845,980,091)	(3,114,279,690)		(3,114,279,690)	(3,110,611,658)		(3,110,611,658)
CS Retirement Reform Escrow	-		-						
Net Income (Loss) After CS Retirement Reform Escrow	(2,845,980,091)		(2,845,980,091)	(3,114,279,690)		(3,114,279,690)	(3,110,611,658)		(3,110,611,658)

Check sum fr FFM Scenario	(2,805,646,702)		(3,000,201,277)		(1,679,445,729)
Difference	40,333,389		114,078,412		1,431,165,929
Checksum fr TB Data Table	77,773,866,591				
Checksum - Expenses FFM	77,773,866,611	20	79,220,195,351		79,948,046,449
Expenses - This worksheet	77,814,200,000	40,333,409	79,334,273,763	114,078,412	81,379,212,378
		40,333,389			
Total funded expenses - this worksheet		76,651,000,000	76,406,029,288		77,882,000,000
Total funded expenses - Summary OC worksheet		74,877,981,483	76,291,950,877		76,985,448,850
Difference		(1,773,018,517)	(114,078,411)		(896,551,150)