

ROADMAP TO FY 2009 ANNUAL COMPLIANCE REPORT

Purpose: The purpose of this document is to help readers navigate the materials presented to the Postal Regulatory Commission by the Postal Service as its FY 2009 Annual Compliance Report (ACR) in response to 39 U.S.C. § 3652. Specifically, with respect to the series of associated items (each denominated as “USPS-FY09-x” or “USPS-FY09-NPx”), this document briefly describes the purpose of each item, the inputs to and outputs from that item, and any changes in methodology incorporated into that item. The intent is to allow readers to understand the flow of information building to the summary data identified in the statute. USPS-FY09-9 also includes a new section responding to the Commission Rule 3050.12 on data obsolescence in special studies.

Predecessor: The most recent predecessor document was the roadmap document (USPS-FY08-9) found in the Postal Services’ FY 2008 Annual Compliance Report.

Organization: USPS-FY09-9 consists of one pdf file and is organized into three sections. Section I presents, generally on an item-by-item basis, a brief description of each set of materials. As applicable, this description includes an indication of the sources of the inputs used, and an indication of the downstream materials that make use of the outputs. Section II identifies, again generally on an item-by-item basis, any material changes in methodology incorporated into preparation of the associated data. Section III presents information responsive to Commission Rule 3050.12 on data obsolescence.

Broadly speaking, there are four relatively distinct major types of items included in the appended material. The first type is essentially the subclass/product costing material formerly filed in omnibus rate cases and, more recently, in the Postal Services’ FY 2008 ACR. The focus of these materials, in terms of the ultimate output, is the domestic Cost and Revenue Analysis (CRA) report. The second type is the comparable costing material with respect to international mail, filed in recent years in response to the Commission’s international reporting requirements. The focus of these materials, in terms of output, is the International Cost and Revenue Analysis (ICRA) report. The third type is material relating to intra-product cost analyses, generally relating to workshare cost avoidances. In the past, such workshare information has been provided in the context of omnibus rate cases, and more recently in the Postal Services’ FY2008 Annual Compliance Report. The fourth type is billing determinant information which, for both domestic and international mail, has generally been filed with the Commission on an annual basis.

Note, that sections 1 and 2 of these materials are further divided into two broad categories, public information and the non-public annex. Items in the public

portion are labeled as “USPS-FY09-x.” Items in the nonpublic annex are labeled as “USPS-FY09-NPx.” The “NP” refers to Non Public. This roadmap includes descriptions and information regarding methodological changes regarding both public and non-public items. Presentation of such information in this document, of course, has no effect on the public or nonpublic status of the underlying set of materials.

All four of these major bodies of material (CRA, ICRA, workshare, and billing determinant) are familiar to the Commission. Moreover, broadly speaking, they are presented in formats similar to what both the Commission and other parties participating in postal rate proceedings have seen and worked with in the past. In that sense, the Postal Service has sought to minimize the burden on parties seeking to review these materials quickly and identify areas of potential interest.

SECTION ONE: DESCRIPTION OF ITEMS

Public Information

USPS-FY09-1

This item is entitled:

USPS-FY09-1 FY 2009 Public Cost and Revenue Analysis (PCRA) Report

USPS-FY09-1, FY 2009 Public Cost and Revenue Analysis (PCRA) summarizes attributable costs for the United States Postal Service's main products. The FY 2009 PCRA continues to present most of the same information as in previous years – costs and revenues by product, along with various volume statistics by product – but does not report detailed data for mail products designated as “Competitive” products, reporting summary lines for those classes instead. It also reports more international mail products than in previous years. Note that the new list of products covered by the CRA does not correspond exactly to the old list of subclasses, but there is substantial overlap. Also new to FY2009, is the reporting of Negotiated Service Agreement (NSA) costs, which are a subset of a product that received discounts based on prior agreement with the mailer.

The predecessor document is Docket No: ACR-2008, PRC-ACR2008-LR1. The corresponding non-public document is USPS- FY09-NP11, FY 2009 Non-Public Cost and Revenue Analysis (NPCRA).

The USPS-FY09-1, 2009 Public Cost and Revenue Analysis (PCRA) is a 9 page summary of domestic and international attributable costs by rate category, differing from the non-public version (USPS-FY09-NP14) by not presenting data for specific “Competitive” product lines.

The primary outputs from the PCRA report are the attributable costs by subclass. The following items found in this report are used as input to USPS-FY09-1:

Items in this Report Used as Input to USPS-FY09-1

Item Number	Data/Information Used
USPS-FY09-7	• Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-30	• FY 2009 Market Dominant NSA Materials
USPS-FY09-NP2	• FY 2009 International Cost and Revenue Analysis (ICRA) report (Hard Copy & Excel)
USPS-FY09-NP13	• FY 2009 CRA Model (Model Files, Cost Matrices, and Reports)
USPS-FY09-NP18	• Cost Segment 3 Cost Pools & Other Related Information (Nonpublic Portion)

USPS-FY09-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)
USPS-FY09-NP22	<ul style="list-style-type: none"> City Carrier Cost System (CCCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)
USPS-FY09-NP23	<ul style="list-style-type: none"> Rural Carrier Cost System (RCCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)
USPS-FY09-NP24	<ul style="list-style-type: none"> Transportation Cost Systems (TRACS) Statistical and Computer Documentation (Source Code and Data on CD Rom)

Items in this Report Utilizing Output from USPS-FY09-1

Item Number	Data/Information Provided
USPS-FY09-13	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY09-15	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model/Media Mail – Library Mail Processing Cost Model

USPS-FY09-2

This item is entitled:

USPS-FY09-2 FY 2009 Public Cost Segments and Components Report

USPS-FY09-2 is an output of the FY 2009 Cost and Revenue Analysis (CRA) Model that shows product attributable costs for 18 cost segments, including Postmasters, Supervisors, Clerks and Mail Handlers, In-Office City Carrier Activities, City Carrier and Rural Carrier Street Costs, and Purchased Transportation.

In the Postal Service’s FY 2008 Annual Compliance Report (ACR) filing (Docket No. ACR2008, December 29, 2008), this material was presented as USPS-FY08-2. The Commission, in its FY 2008 Annual Compliance Determination filing (Docket No. ACR2008, March 30, 2009), filed the equivalent material as part of PRC-ACR2008-LR2. A non-public version of this document is provided as

USPS-FY09-NP12, FY 2009 Non-Public Cost Segments and Components Report.

The FY 2009 Public Cost Segments and Components Reports is provided both in hard copy and as an Excel workbook. It consists of a 35-page report that presents a summary of costs by mail category for all cost segment totals, followed by component-level detail within each segment. As it is intended for public distribution, it does not contain detail below the total level for the Postal Service’s Competitive products.

A detailed explanation of the attribution of the Postal Retiree Health Benefit Payment is provided as a separate Word document entitled “Treatment of Retiree Health Benefits and CSRS Benefit Costs.”

The following items found in this report are used as input/output to USPS-FY09-2:

Items in this Report Used as Input to USPS-FY09-2

Item Number	Data/Information Used
USPS-FY09-5	<ul style="list-style-type: none"> Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Reallocated Trial Balances)
USPS-FY09-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-8	<ul style="list-style-type: none"> Equipment and Facility Related Costs
USPS-FY09-31	<ul style="list-style-type: none"> FY 2009 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY09-32	<ul style="list-style-type: none"> FY 2009 CRA “B” Workpapers (Public Version)
USPS-FY09-37	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Public Version)

Items in this Report Utilizing Output from USPS-FY09-2

Item Number	Data/Information Provided
USPS-FY09-NP4	<ul style="list-style-type: none"> FY 2009 ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)

USPS-FY09-3

This item is entitled:

USPS-FY09-3 FY 2009 Discounts and Passthroughs of Workshare Items

USPS-FY09-3 reports worksharing discounts, cost avoidances and passthroughs for market dominant products for FY 2009. It consists of a CD ROM containing the electronic version, and several printouts containing the hard copy version of the worksharing discounts.

Predecessor documents are Docket No. ACR2008, USPS-FY08-3 and Annual Compliance Determination FY 2008, Chapter VI.

The following items found in this report are used as input/output to USPS-FY09-3:

Items in this Report Used as Input to USPS-FY09-3

Item Number	Data/Information Used
USPS-FY09-10	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY09-11	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY09-12	<ul style="list-style-type: none"> Standard Mail Hybrid/Parcel Cost Study
USPS-FY09-13	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY09-15	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model/Media Mail – Library Mail Processing Cost Model
USPS-FY09-19	<ul style="list-style-type: none"> FY 2009 Delivery Costs By Shape
USPS-FY09-21	<ul style="list-style-type: none"> FY 2009 QBRM and BRM Costs

USPS-FY09-3 consists of an Excel workbook entitled Worksharing Discount Table—FY 2009_12_29_09.xls. This workbook contains seventeen tables showing the benchmark pieces, discounts, cost differentials and passthroughs for each type of worksharing offered in FY 2009 for market dominant products. The following tables are included:

- First-Class Mail Single Piece Letters, Cards (1)
- First-Class Mail Single Piece Letters, Cards (2)
- First-Class Mail Bulk Letters, Cards
- First-Class Mail Flats
- First-Class Mail Parcels
- Periodicals Outside County
- Periodicals Bundle-Container Pricing
- Periodicals Within County
- Within County Worksheet
- Standard Mail Letters
- Standard Mail Flats
- Standard Mail Parcels & NFMs
- Standard Mail Carrier Route
- Standard Mail HD-Sat Letters
- Standard Mail HD-Sat Flats - Parcels
- Media Mail & Library Mail
- Bound Printed Matter Flats
- Bound Printed Matter Parcels
- Order 169 Addendum (Cost and price differences, and benchmark for Standard Mail)

USPS-FY09-4

This item is entitled:

USPS-FY09-4 FY 2009 Market Dominant Billing Determinants

The purpose of this item is to provide the U.S. Postal Service billing determinants for domestic market dominant products for FY 2009. Billing determinants provide specific information regarding revenue and volume of postal products and services. It consists of a CD ROM containing the electronic version, and several printouts containing the hard copy version of the billing determinants.

This item consists of Excel workbooks containing FY 2009 billing determinants for market dominant products.

The predecessor document is Billing Determinants FY 2008, filed with the Postal Regulatory Commission as USPS-FY08-4.

The following items found in this report are used as input/output to USPS-FY09-4:

Items in this Report Utilizing Output from USPS-FY09-4

Item Number	Data/Information Provided
USPS-FY09-10	<ul style="list-style-type: none"> • FY 2009 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY09-11	<ul style="list-style-type: none"> • FY 2009 Special Cost Studies

	Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY09-12	• Standard Mail Hybrid/Parcel Cost Study
USPS-FY09-13	• FY 2009 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY09-15	• FY 2009 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model/Media Mail – Library Mail Processing Cost Model
USPS-FY09-16	• FY 2009 Special Cost Studies Workpapers - Bound Printed Matter Transportation Costs / Bulk Parcel Return Service Cost Study
USPS-FY09-18	• FY 2009 ECR Mail Processing Unit Costs
USPS-FY09-19	• FY 2009 Delivery Costs By Shape

USPS-FY09-5

This item is entitled:

USPS-FY09-5 Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Reallocated Trial Balances)

The Fiscal Year 2009 Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations is an Excel workbook that adjusts amounts reflected in the September 2009 general ledger for year-end audit adjustments. This results in amounts that underlie the September 30 year-end financial statements. This workbook also reallocates year-end labor contract and performance award accruals back to the appropriate labor sub-account and breaks out cost component expenses not available directly from a general ledger account but obtained from another source such as a unique finance number or a subsidiary reporting system.

This material was provided as USPS-FY08-5 for the FY 2008 Annual Compliance Report filing (Docket No. ACR2008, December 29, 2008). The corresponding non-public document is USPS-FY09-NP29.

The following items found in this report are used as input/output to USPS-FY09-5:

Items in this Report Utilizing Output from USPS-FY09-5

Item Number	Data/Information Provided
USPS-FY09-31	<ul style="list-style-type: none"> FY 2009 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY09-NP13	<ul style="list-style-type: none"> FY 2009 CRA Model (Model Files, Cost Matrices, and Reports)

USPS-FY09-5, the Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations, is provided as an Excel workbook on CD-ROM. Within the workbook are the following worksheets:

1. Title – Title page
2. Rev – Revenue general ledger accounts
3. Seg 1 – Cost Segment 1 (Postmasters)
4. Seg 2 – Cost Segment 2 (Supervisors & Technical Personnel)
5. Seg 3 – Cost Segment 3 (Clerks & Mailhandlers – CAG A-J Offices)
6. Seg 4 – Cost Segment 4 (Clerks – CAG K Offices)
7. Seg 6&7 – Cost Segments 6 & 7 (City Delivery Carriers)
8. Seg 8 – Cost Segment 8 (Vehicle Service Drivers)
9. Seg 10 – Cost Segment 10 (Rural Carriers)
10. Seg 11 – Cost Segment 11 (Custodial & Maintenance Services)
11. Seg 12 – Cost Segment 12 (Motor Vehicle Service)
12. Seg 13 – Cost Segment 13 (Miscellaneous Local Operations)
13. Seg 14 – Cost Segment 14 (Purchased Transportation of Mail)
14. Seg 15 – Cost Segment 15 (Building Occupancy)
15. Seg 16 – Cost Segment 16 (Supplies and Services)
16. Seg 17 – Cost Segment 17 (Research & Development)
17. Seg 18 – Cost Segment 18 (HQ & Area Administration & Corporatewide Personnel Costs)
18. Seg 19 – Cost Segment 19 (Equipment Maintenance & Management Training Support)
19. Seg 20 – Cost Segment 20 (Depreciation, Write-offs, Losses, and Interest)
20. Summary – Cost segment totals and net income calculations
21. Personnel Costs – Summary of personnel costs by cost segment
22. International 2009 – Development of International product-specific costs
23. CS 11 Realloc – Reallocation of maintenance personnel expenses
24. MOB Realloc – Reallocation of money order personnel expenses
25. 51111 Realloc – PCES performance award reallocations to subaccount
26. 51112 Realloc – EAS performance awards reallocations tor subaccount
27. Reallocation Summary – Summary of reallocations
28. Accounts – Lookup table for general ledger account descriptions

USPS-FY09-6

This item is entitled:

USPS-FY09-6

General Classification of Accounts

USPS-FY09-6, General Classification of Accounts, identifies the different types of General Ledger accounts, lists the account numbers, and provides a brief description of each account. It is provided as general background information of a type specifically sought previously, but is not otherwise directly relied upon by the Postal Service in this filing.

In Docket No. ACR2008, this item was submitted as USPS-FY08-6, and in Docket No. ACR2007, it was submitted as CIR.1.Q.21.Class.Accounts.xls, filed on February 1, 2008, in response to Commission Information Request No. 1, Question 21. Previously, this type of information appeared in Handbook F-8, the USPS Chart of Accounts.

Since this item merely lists and describes accounts, while containing no actual account data, it neither relies on inputs from any other items in this docket, nor generates outputs which are used as inputs to any other items in the is docket.

USPS-FY09-6 consists of this Preface document (Word), and one Excel file, FY09.6.F.8.xls.

USPS-FY09-7

This item is entitled:

USPS-FY09-7 Cost Segment 3 Cost Pools and Other Related Information

USPS-FY09-7 documents the formation of C/S 3 cost pools, the development of mail processing accrued costs and volume-variable subclass costs by cost pool, and other related calculations that are inputs to the B Workpapers, the CRA model, and the Special Cost Studies.

USPS-FY09-7 Excel Workbook consists of 8. Parts I through VIII correspond to parts I through VIII of USPS-FY08-7 in Docket No. ACR2008. USPS-FY09-7 is the public version of USPS-FY09-NP18.

The following items found in this report are used as input/output to USPS-FY09-7:

Items in this Report Used as Input to USPS-FY09-7	
Item Number	Data/Information Used
USPS-FY09-23	• MODS Productivity Data
USPS-FY09-NP2	• FY 2009 International Cost and Revenue Analysis (ICRA) report (Hard Copy & Excel)

Items in this Report Utilizing Output from USPS-FY09-7

Item Number	Data/Information Provided
USPS-FY09-2	<ul style="list-style-type: none"> FY 2009 Public Cost Segments and Components
USPS-FY09-8	<ul style="list-style-type: none"> Equipment and Facility Related Costs
USPS-FY09-10	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY09-11	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY09-12	<ul style="list-style-type: none"> Standard Mail Hybrid/Parcel Cost Study
USPS-FY09-13	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY09-15	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model/Media Mail – Library Mail Processing Cost Model
USPS-FY09-21	<ul style="list-style-type: none"> FY 2009 QBRM and BRM Costs
USPS-FY09-25	<ul style="list-style-type: none"> FY 2009 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY09-26	<ul style="list-style-type: none"> FY 2009 Mail Processing Costs by Shape (Public Portion)
USPS-FY09-28	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Special Services
USPS-FY09-31	<ul style="list-style-type: none"> FY 2009 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY09-32	<ul style="list-style-type: none"> FY 2009 CRA “B” Workpapers (Public Version)

USPS-FY09-8

This item is entitled:

USPS-FY09-8 Equipment and Facility Related Costs

The primary purpose of USPS-FY09-8 is to provide inputs to determine the volume variable equipment and facility-related costs by subclass for the CRA. USPS-FY09-8 also provides inputs for the calculation of cost pool and operations specific piggyback factors, USPS-FY09-25.

The CRA equipment-related costs are equipment depreciation (component 20.1), interest expense (component 20.5), maintenance labor (component 11.2), and parts & supplies (component 16.3.2). USPS-FY09-8 provides these costs by 25 cost pools defined by equipment type, using data from Postal Service accounting and engineering records. For each cost pool, costs are related to subclass through distribution keys indicated for each pool. Inputs are also provided to the CRA to calculate the distribution key to apportion costs for Intelligent Mail Devices (IMDs) Scanners.

The CRA facility-related costs are for space provision and space support. The space provision costs are rents (component 15.1), depreciation (component 20.3) and interest (component 20.5). The space support costs are fuel and utilities (component 15.2), custodial services labor (component 11.1), contract cleaners (component 11.1.2), building equipment maintenance labor (component 11.3), custodial supplies and services (component 16.3.1) and building security (component 18.1.2). These costs are divided into cost pools (or by activity) based on the FY 2009 estimates of square feet and rents by operation. These estimates are based on the FY1999 facility survey, updated using information on equipment deployments since FY1999. USPS-FY09-8 also provides a description of the variabilities and distribution keys for these cost pools.

The predecessor documents are Docket No. R2006-1, USPS-LR-L-54 and Docket ACR, FY 2008, USPS-FY08-8. There is no corresponding non-public document.

The following items found in this report are used as input/output to USPS-FY09-8:

Items in this Report Used as Input to USPS-FY09-8

Item Number	Data/Information Used
USPS-FY09-5	<ul style="list-style-type: none"> Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Reallocated Trial Balances)
USPS-FY09-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-28	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Special Services
USPS-FY09-32	<ul style="list-style-type: none"> FY 2009 CRA “B” Workpapers (Public Version)

Items in this Report Utilizing Output from USPS-FY09-8

Item Number	Data/Information Provided
USPS-FY09-25	<ul style="list-style-type: none"> FY 2009 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY09-31	<ul style="list-style-type: none"> FY 2009 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY09-NP13	<ul style="list-style-type: none"> FY 2009 CRA Model (Model Files, Cost Matrices, and Reports)

Each of the following Microsoft Office Excel workbooks is used to support this item:

Cra facility related cost factors,
Variabilities & distribution..... FCILTY09.XLS

Cra processing and other equipment maintenance, parts and supplies
Costs: factors & distributionFY09equip.XLS

Cra processing and other equipment capital costs: factors &
Distribution.....FY09equip.XLS

Cra inputs for imd scanner distribution key.....FY09.IMD.SCANNER.KEY.INPUT.XLS

USPS-FY09-9

This item is entitled:

USPS-FY09-9 ACR Roadmap Document

The purpose of this Roadmap to the Postal Service’s FY 2009 Annual Compliance Report is to present the subject matter of each item, explain the interrelationship between items, to describe changes in technical methodologies, and to present information responsive to Commission Rule 3050.12 on data obsolescence.

This item consolidates in one place a brief description of each of the items provided, as well as the flow of inputs and outputs between items. It includes a discussion of any methodology changes between the FY 2009 analyses included in this presentation, and the Commission’s methodologies in their Annual Compliance Determination of the U. S. Postal Service for Fiscal Year 2008, or, if applicable, the methodologies used by the Postal Service under Docket No. ACR2008.

The predecessor document to this item is Docket No. ACR2008, USPS-FY08-9.

USPS-FY09-10

This item is entitled:

USPS-FY09-10 FY 2009 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)

USPS-FY09-10 documents the First-Class Mail Presort letters and cards and Standard Mail Regular Presort letters mail processing unit cost estimates, and First-Class Mail Presort letters worksharing-related savings estimates.

The predecessor documents are PRC-R2009-2-LR-1 FCM Letter costs 2008.xls and PRC-R2009-2-LR-3 – PRC-FY08 STD Reg letter costs.xls. There are no corresponding non-public documents.

USPS-FY09-10 has two Excel Workbooks. The workbook USPS-FY09-10-FCM letters Costs Final.xls performs all calculations necessary to calculate the First-Class Mail Presort letters and cards mail processing costs and First-Class Mail Presort letters and cards worksharing-related savings by rate category. The workbook USPS-FY09-10-STD Reg Letter Costs Final.xls performs all calculations necessary to calculate the Standard Mail Regular Presort letters mail processing costs by rate category

The following items found in this report are used as input/output to USPS-FY09-10:

Items in this Report Used as Input to USPS-FY09-10

Item Number	Data/Information Used
USPS-FY09-8	• Equipment and Facility Related Costs
USPS-FY09-14	• Mail Characteristics Study (Public Portion)
USPS-FY09-19	• FY 2009 Delivery Costs By Shape
USPS-FY09-23	• MODS Productivity Data
USPS-FY09-24	• FY 2009 Non-Operation Specific Piggyback Factors (Public Portion)
USPS-FY09-25	• FY 2009 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY09-26	• FY 2009 Mail Processing Costs by Shape (Public Portion)

Items in this Report Utilizing Output from USPS-FY09-10

Item Number	Data/Information Provided
USPS-FY09-3	• FY 2009 Discounts and Passthroughs of Workshare Items
USPS-FY09-19	• FY 2009 Delivery Costs By Shape
USPS-FY09-21	• FY 2009 QBRM and BRM Costs
USPS-FY09-30	• FY 2009 Market Dominant NSA Materials

USPS-FY09-11

This item is entitled:

USPS-FY09-11 FY 2009 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model

USPS-FY09-11 documents the development of the FY 2009 mail processing unit cost estimates for First-Class Mail Presort flats, Periodicals Outside-County flats, and StandardMail Regular flats.

Predecessor documents are First-Class Mail model: FCM flat costs 2008.xlsx (PRC-ACR2008-LR3 - FY 2008 First-ClassMail, Docket No. ACR2008); Periodicals model: Prop.29.Per.model.xls(Proposal 29, Docket No. RM2010-6); and Standard Mail model: Std Reg flts.xls(USPS-FY08-11, Docket No. ACR2008). USPS-FY09-11 does not have a corresponding non-public document.

The USPS-FY09-11 workpapers consist of three separate Microsoft Office Excel workbooks, one each for the First-Class Mail Presort, Standard Mail Regular, and Periodicals Outside-County flats model cost estimates.

The following items found in this report are used as input/output to USPS-FY09-11:

Items in this Report Used as Input to USPS-FY09-11

Item Number	Data/Information Used
USPS-FY09-7	• Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-14	• Mail Characteristics Study (Public Portion)
USPS-FY09-23	• MODS Productivity Data
USPS-FY09-25	• FY 2009 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY09-26	• FY 2009 Mail Processing Costs by Shape (Public Portion)

Items in this Report Utilizing Output from USPS-FY09-11

Item Number	Data/Information Provided
USPS-FY09-3	<ul style="list-style-type: none"> FY 2009 Discounts and Passthroughs of Workshare Items
USPS-FY09-12	<ul style="list-style-type: none"> Standard Mail Hybrid/Parcel Cost Study
USPS-FY09-30	<ul style="list-style-type: none"> FY 2009 Market Dominant NSA Materials

USPS-FY09-12

This item is entitled:

USPS-FY09-12 Standard Mail Hybrid/Parcel Cost Study

USPS-FY09-12 documents the additional mail processing unit cost estimates for Standard Mail non flat-machinables (NFM) and parcels.

Predecessor documents are Docket No. R2006-1, USPS-LR-L-115, Docket No. ACR2007, USPS-FY07-12, and Docket No. ACR2008, USPS-FY08-12. There is no corresponding nonpublic document.

The Standard Mail NFM and parcels cost estimates are presented in the Microsoft Excel workbook 'STD NFM PARCEL.XLS' in the spreadsheet tab entitled 'ADDITIONAL COST SUMMARY,' page 1 of USPS-FY09-12.

The following items found in this report are used as input/output to USPS-FY09-12:

Items in this Report Used as Input to USPS-FY09-12

Item Number	Data/Information Used
USPS-FY09-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-11	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY09-14	<ul style="list-style-type: none"> Mail Characteristics Study (Public Portion)
USPS-FY09-23	<ul style="list-style-type: none"> MODS Productivity Data
USPS-FY09-25	<ul style="list-style-type: none"> FY 2009 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY09-26	<ul style="list-style-type: none"> FY 2009 Mail Processing Costs by Shape (Public Portion)

Items in this Report Utilizing Output from USPS-FY09-12

Item Number	Data/Information Provided
USPS-FY09-3	<ul style="list-style-type: none"> FY 2009 Discounts and Passthroughs of Workshare Items

USPS-FY09-13

This item is entitled:

USPS-FY09-13 FY 2009 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail

The purpose of this item is to present the destination entry cost avoidance estimates for Standard Mail and Periodicals.

Predecessor documents are Docket No. R2006-1, USPS-LR-L-112, Docket No. ACR2007; USPS-FY07-13, Docket No. ACR2008; and USPS-FY08-13 Docket No. RM2009-10, Proposal 13. There is no corresponding non-public document to USPS-FY09-13.

The following items found in this report are used as input/output to the Standard Mail destination entry cost avoidance estimates found in USPS-FY-13:

Items in this Report Used as Input to USPS-FY09-13

Item Number	Data/Information Used
USPS-FY09-1	<ul style="list-style-type: none"> FY 2009 Public Cost and Revenue Analysis (PCRA)
USPS-FY09-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-14	<ul style="list-style-type: none"> Mail Characteristics Study
USPS-FY09-24	<ul style="list-style-type: none"> FY 2009 Non-Operation Specific Piggyback Factors (Public Portion)
USPS-FY09-25	<ul style="list-style-type: none"> FY 2009 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY09-32	<ul style="list-style-type: none"> FY 2009 CRA "B" Workpapers (Public Version)

Items in this Report Utilizing Output from USPS-FY09-13

Item Number	Data/Information Provided
USPS-FY09-3	<ul style="list-style-type: none"> FY 2009 Discounts and Passthroughs of Workshare Items
USPS-FY09-18	<ul style="list-style-type: none"> FY 2009 ECR Mail Processing Unit Costs

The Standard Mail transportation and non-transportation cost avoidance estimates by shape are presented in the Microsoft Excel workbooks 'STD DEST ENT TOTAL.XLS,' 'STD DEST ENT LETTERS.XLS,' and 'STD DEST ENT FLATS.XLS,' . The results are contained in the 'Summary' worksheet in the first workbook (page 1 of USPS-FY09-13). Data sources are referenced in each spreadsheet throughout the workbook.

The following items found in this report are used as input/output to the Periodicals destination entry cost avoidance estimates found in USPS-FY-13:

Items in this Report Used as Input to USPS-FY09-13

Item Number	Data/Information Used
USPS-FY09-1	<ul style="list-style-type: none"> FY 2009 Public Cost and Revenue Analysis (PCRA)
USPS-FY09-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-14	<ul style="list-style-type: none"> Mail Characteristics Study
USPS-FY09-23	<ul style="list-style-type: none"> MODS Productivity Data
USPS-FY09-25	<ul style="list-style-type: none"> FY 2009 Mail Processing Piggyback Factors (Operation Specific)

Items in this Report Utilizing Output from USPS-FY09-13

Item Number	Data/Information Provided
USPS-FY09-3	<ul style="list-style-type: none"> FY 2009 Discounts and Passthroughs of Workshare Items

The Periodicals non-transportation cost avoidance estimates are presented in the Microsoft Excel workbook 'PER DEST ENT.XLS' in the 'Summary' worksheet (page 113) of USPS-FY09-13. Data sources are referenced in each spreadsheet throughout the workbook.

USPS-FY09-14

This item is entitled:

USPS-FY09-14 Mail Characteristics Study (Public Portion)

USPS-FY09-14 documents the development of a number of volume and parameter estimates used in the preparation of the 2009 ACR. The section titled "RPW by Shape and Indicia" describes the development of revenue, piece and weight estimates by shape and indicia. Standard Mail and First-Class Mail

estimates by weight increment are also developed. The “Mail Characteristics” section describes the development of preparation and entry characteristics for Standard Mail flats and letters, and for Periodical flats. The re-calibration of the First-Class Mail Characteristics Study (Docket No. R2006-1, LR-L-32) is also described in the “Mail Characteristics” section.

Predecessor documents are USPS-FY08-14 in Docket No. ACR2008, USPS-FY07-14 filed in Docket No. ACR2007, and Docket No. R2001-1, USPS-LR-J-63 for Density Study. The corresponding non-public document is USPS-FY09-NP25.

This item relies upon the FY 2009 PostalOne! mailing statement database; FY 2009 Mail.dat data from the PostalOne! eVS system; the samples of small mailings from USPS-LR-L-91 for Standard Mail; the data collected in response to POIR No. 19 in Docket No. R2006-1 for Periodicals; and USPS-LR-L-32 for First-Class Mail.

The following items found in this report are used as input/output to USPS-FY09-14:

Items in this Report Utilizing Output from USPS-FY09-14

Item Number	Data/Information Provided
USPS-FY09-10	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY09-11	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY09-13	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail

The tables of the characteristics estimates are presented in electronic version in the Microsoft Office Excel workbook ‘MAILCHAR09V.xls’. The estimates of RPW by shape and indicia are presented in the Microsoft Office Excel workbook “Shape Indicia FY 2009V.xls”. The coverage factor and results are provided in the workbook “Coverage Factors.xls”. The programs and workbooks used to estimate these volumes are described in the Program Documentation.

USPS-FY09-15

This item is entitled:

USPS-FY09-15 FY 2009 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model/Media Mail – Library Mail Processing Cost Model

USPS-FY09-15 documents the mail processing and delivery cost estimates for Bound Printed Matter and the mail processing cost estimates for Media Mail - Library Mail.

Predecessor documents are Docket No. R2006-1, USPS-LR-L-103, Docket No. ACR2007, USPS-FY07-15, and Docket No. ACR2008, USPS-FY08-15. There is no corresponding non-public document.

The Bound Printed Matter cost model results are presented in the Microsoft Excel workbook 'BPM MP.XLS' in the spreadsheet tab entitled 'Summary,' page 1 USPS-FY09-15.

The following items found in this report are used as input/output to the Bound Printed Matter cost estimates of USPS-FY09-15:

Items in this Report Used as Input to USPS-FY09-15

Item Number	Data/Information Used
USPS-FY09-1	• FY 2009 Public Cost and Revenue Analysis (PCRA) Report
USPS-FY09-4	• FY 2009 Market Dominant Billing Determinants
USPS-FY09-7	• Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-22	• FY 2009 Bound Printed Matter Mail Processing Costs and Parcel Post Window Service Costs
USPS-FY09-23	• MODS Productivity Data
USPS-FY09-24	• FY 2009 Non-Operation Specific Piggyback Factors (Public Portion)
USPS-FY09-25	• FY 2009 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY09-32	• FY 2009 CRA "B" Workpapers (Public Version)
USPS-FY09-36	• Transportation Cost Systems (TRACS) Statistical and Computer Documentation (Public Version)

Items in this Report Utilizing Output from USPS-FY09-15

Item Number	Data/Information Provided
USPS-FY09-3	• FY 2009 Discounts and Passthroughs of Workshare Items

The Media Mail / Library Mail cost model results are presented in the Microsoft Excel workbook 'MEDIA MAIL MP.XLS' in the spreadsheet tab entitled

'Summary,' page 13 USPS-FY09-15. The following items found in this report are used as input/output to the Media Mail / Library Mail cost estimates of USPS-FY09-15:

Items in this Report Used as Input to USPS-FY09-15

Item Number	Data/Information Used
USPS-FY09-1	• FY 2009 Public Cost and Revenue Analysis (PCRA) Report
USPS-FY09-4	• FY 2009 Market Dominant Billing Determinants
USPS-FY09-7	• Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-23	• MODS Productivity Data
USPS-FY09-25	• FY 2009 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY09-26	• FY 2009 Mail Processing Costs by Shape (Public Portion)
USPS-FY09-36	• Transportation Cost Systems (TRACS) Statistical and Computer Documentation (Public Version)

Items in this Report Utilizing Output from USPS-FY09-15

Item Number	Data/Information Provided
USPS-FY09-3	• FY 2009 Discounts and Passthroughs of Workshare Items
USPS-FY09-16	• FY 2009 Special Cost Studies Workpapers - Bound Printed Matter Transportation Costs / Bulk Parcel Return Service Cost Study

USPS-FY09-16

This item is entitled:

USPS-FY09-16 FY 2009 Special Cost Studies Workpapers - Bound Printed Matter Transportation Costs / Bulk Parcel Return Service Cost Study

USPS-FY09-16 documents the Bound Printed Matter transportation cost estimates and the Bulk Parcel Return Service cost estimates.

Predecessor documents are Docket No. R2006-1, USPS-LR-L-113, Docket No. ACR2007, USPS-FY07-16, and Docket No. ACR2008, USPS-FY08-16. There is no corresponding non-public document.

The Bound Printed Matter aggregate, flats, and parcels transportation cost estimates are presented in the Microsoft Excel workbooks 'BPM TRANS TOTAL.XLS,' 'BPM TRANS FLATS.XLS,' and 'BPM TRANS PARCELS.XLS' in the 'Cost-Sum' spreadsheets on pages 1, 8, and 15, respectively, of USPS-FY09-16. Data sources are referenced in each spreadsheet throughout the workbook.

The following items found in this report are used as input/output to the Bound Printed Matter transportation cost estimates in USPS-FY09-16:

Items in this Report Used as Input to USPS-FY09-16

Item Number	Data/Information Used
USPS-FY09-1	<ul style="list-style-type: none"> FY 2009 Public Cost and Revenue Analysis (PCRA) Report
USPS-FY09-24	<ul style="list-style-type: none"> FY 2009 Non-Operation Specific Piggyback Factors (Public Portion)
USPS-FY09-32	<ul style="list-style-type: none"> FY 2009 CRA "B" Workpapers (Public Version)
USPS-FY09-36	<ul style="list-style-type: none"> Transportation Cost Systems (TRACS) Statistical and Computer Documentation (Public Version)

Items in this Report Utilizing Output from USPS-FY09-16

Item Number	Data/Information Provided
USPS-FY09-3	<ul style="list-style-type: none"> FY 2009 Discounts and Passthroughs of Workshare Items

The Bulk Parcel Return Service cost estimates are presented in the Microsoft Excel workbook 'BPRS.XLS' in the spreadsheet 'Cost-Sum' on page 22 of USPS-FY09-16. Data sources are referenced in each spreadsheet throughout the workbook.

The following items found in this report are used as input/output the Bulk Parcel Return Service cost estimates in USPS-FY09-16:

Items in this Report Used as Input to USPS-FY09-16

Item Number	Data/Information Used
USPS-FY09-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-15	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model/Media Mail – Library Mail Processing Cost Model
USPS-FY09-23	<ul style="list-style-type: none"> MODS Productivity Data
USPS-FY09-25	<ul style="list-style-type: none"> FY 2009 Mail Processing Piggyback Factors (Operation Specific)

Items in this Report Utilizing Output from USPS-FY09-16

Item Number	Data/Information Provided
USPS-FY09-3	<ul style="list-style-type: none"> <li data-bbox="667 394 1177 453">FY 2009 Discounts and Passthroughs of Workshare Items

USPS-FY09-17

This item is entitled:

USPS-FY09-17 2009 Comprehensive Statement of Postal Operations

The FY 2009 Comprehensive Statement on Postal Operations describes Postal Service activities and results. The Comprehensive Statement is a broad summary of customer, employee, and operations-focused developments from the past fiscal year.

Chapter 1 addresses the Postal Services' mission, the year in review, governance and oversight, as well as legislative and regulatory developments. Chapter 2 focuses on products and services. Chapter 3 discusses operations. Chapter 4 describes customer programs. Chapter 5 covers the workforce and employee-related programs. Chapter 6 contains the Annual Performance Report for 2009 and Annual Performance Plan for 2010, as required by the Government Performance and Results Act.

Since this item is provided as general background information, it is not directly relied upon by the Postal Service in this filing.

USPS-FY09-18

This item is entitled:

USPS-FY09-18 FY 2009 ECR Mail Processing Unit Costs

USPS-FY09-18 documents the development of mail processing unit costs by shape for Standard Mail ECR rate categories. It contains printed and electronic documentation of the spreadsheets and programs used to develop these costs.

Predecessor documents are Docket No. R2006-1, USPS-LR-L-107, Docket No. ACR2007, USPS-FY07-18, and Docket No. ACR2008, PRC-ACR2008-LR7. There is no corresponding non-public document.

The main results are presented in the Microsoft Office Excel workbook 'FY09 ECR Unit Costs.xls' in the spreadsheet 'Results.' Data sources are referenced in each spreadsheet in workbook 'FY09 ECR Unit Costs.xls.' The programs and workbooks used to estimate these costs are described in the Program Documentation section.

The following items found in this report are used as input/output to USPS-FY09-18:

Items in this Report Used as Input to USPS-FY09-18	
Item Number	Data/Information Used
USPS-FY09-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-13	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY09-14	<ul style="list-style-type: none"> Mail Characteristics Study (Public Portion)
USPS-FY09-26	<ul style="list-style-type: none"> FY 2009 Mail Processing Costs by Shape (Public Portion)
USPS-FY09-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Nonpublic Portion) (Source Code and Data on CD-ROM)

USPS-FY09-19

This item is entitled:

USPS-FY09-19 FY 2009 Delivery Costs By Shape

USPS-FY09-19 documents the development of FY 2009 attributable delivery costs by rate category for First-Class, Periodicals, Standard, Bound Printed Matter, and Media Mail.

Predecessor documents are Docket No. ACR2008, PRC-ACR2008-LR7 and USPS-FY08-19. There is no corresponding Non-Public document to USPS-FY09-19.

This item contains five Excel workbooks along with a Word document. The Excel workbooks perform the calculations necessary to calculate the unit delivery costs by rate category. The workbooks KLTable09v1_All and KLTable09v1_Casing are pivot tables derived from IOCS CARMM data file contained in USPS-FY09-37. These pivot tables provide casing only and 6.1 direct labor costs by route grouping (letter, SPR, and other) by rate category. The workbook

UDCInputs09.xls consists of the necessary cost and volume inputs required to derive the unit delivery costs. The workbook VolAdj09.xls contains all of the volume adjustments needed to calculate the unit delivery costs. Lastly, the workbook UDCModel09.xls takes the inputs and volume adjustments and performs the calculations to get the final unit delivery costs by rate category (which are found in Table 1, reproduced on next page), including the calculations needed because of the 'D Report Adjustment' for rate categories within the product ECR High Density and Saturation. These calculations are included in worksheet '1a.DAdjustment.'

Documentation of the content of each worksheet within the Inputs09, VolAdj09, and Model09 workbooks is included in the worksheet called 'NOTES' within each of the three workbooks. The 'NOTES' worksheet lists all of the worksheets within each workbook along with a brief description of its function.

The following items found in this report are used as input/output to USPS-FY09-19:

Items in this Report Used as Input to USPS-FY09-19

Item Number	Data/Information Used
USPS-FY09-10	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY09-14	<ul style="list-style-type: none"> Mail Characteristics Study (Public Portion)
USPS-FY09-24	<ul style="list-style-type: none"> FY 2009 Non-Operation Specific Piggyback Factors (Public Portion)
USPS-FY09-32	<ul style="list-style-type: none"> FY 2009 CRA "B" Workpapers (Public Version)
USPS-FY09-34	<ul style="list-style-type: none"> City Carrier Cost System (CCCS) Statistical and Computer Documentation (Public Version)
USPS-FY09-35	<ul style="list-style-type: none"> Rural Carrier Cost System (RCCS) Statistical and Computer Documentation (Public Version)
USPS-FY09-37	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Public Version)

Items in this Report Utilizing Output from USPS-FY09-19

Item Number	Data/Information Provided
USPS-FY09-3	<ul style="list-style-type: none"> FY 2009 Discounts and Passthroughs of Workshare Items
USPS-FY09-10	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)

USPS-FY09-20

This item is entitled:

USPS-FY09-20 FY 2009 Window Service Cost by Shape

USPS-FY09-20 documents the development of window service volume-variable costs by shape for First-Class Mail Presort, Standard Mail Regular, and Standard Mail ECR. It contains printed and electronic documentation of the spreadsheets and programs used to develop these costs.

Predecessor documents are Docket No. R2006-1, USPS-LR-L-106, Docket No. ACR 2007, USPS-FY07-20, and Docket No. ACR 2008, USPS-FY08-20. There is no corresponding non-public document.

The main results are presented in the Microsoft Office Excel workbook 'FY09 Window Service Costs.xls' in the spreadsheet 'FY09 Adj Costs.' Data sources are referenced in each spreadsheet in the Microsoft Office Excel workbook 'FY09 Window Service Costs.xls.' The programs and workbooks used to estimate these costs are described in the Program Documentation section.

The following items found in this report are used as input/output to USPS-FY09-20:

Items in this Report Used as Input to USPS-FY09-20	
Item Number	Data/Information Used
USPS-FY09-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-24	<ul style="list-style-type: none"> FY 2009 Non-Operation Specific Piggyback Factors (Public Portion)
USPS-FY09-26	<ul style="list-style-type: none"> FY 2009 Mail Processing Costs by Shape (Public Portion)
USPS-FY09-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Nonpublic Portion) (Source Code and Data on CD-ROM)

USPS-FY09-21

This item is entitled:

USPS-FY09-21 FY 2009 QBRM and BRM Costs

USPS-FY09-21 documents calculations for the worksharing-related savings estimate for QBRM letters and cards and Business Reply Mail Fee cost estimates. The predecessor document is PRC-R2009-2-LR-1 QBRM cost xls. There are no corresponding non-public documents.

This item has one Excel Workbook. The workbook USPS-FY09-21 QBRM and BRM Fees.xls performs all calculations necessary to calculate the worksharing-related savings estimate for QBRM letters and cards and for various Fees for Business Reply Mail.

The following items found in this report are used as input/output to USPS-FY09-21:

Items in this Report Used as Input to USPS-FY09-21

Item Number	Data/Information Used
USPS-FY09-7	• Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-10	• FY 2009 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY09-23	• MODS Productivity Data
USPS-FY09-25	• FY 2009 Mail Processing Piggyback Factors (Operation Specific)

Items in this Report Utilizing Output from USPS-FY09-21

Item Number	Data/Information Provided
USPS-FY09-3	• FY 2009 Discounts and Passthroughs of Workshare Items

USPS-FY09-22

This item is entitled:

USPS-FY09-22 FY 2009 Bound Printed Matter Mail Processing Costs

USPS-FY09-22 documents the development of mail processing costs for Bound Printed Matter. It contains printed and electronic documentation of the spreadsheets and programs used to develop these costs.

Predecessor documents are Docket No. R2006-1, USPS-LR-L-109, Docket No. ACR2007, USPS-FY07-22, and Docket No. ACR2008, USPS-FY08-22. There is no corresponding non-public document.

The main results are presented in two Microsoft Office Excel workbooks: FY09 BPM Costs ASF.xls and FY09 BPM Costs Op07.xls. Data sources are referenced in each spreadsheet in the Microsoft Office Excel workbooks. The programs and workbooks used to estimate these costs are described in the Program Documentation section.

The following items found in this report are used as input/output to USPS-FY09-22:

Items in this Report Used as Input to USPS-FY09-22

Item Number	Data/Information Used
USPS-FY09-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-26	<ul style="list-style-type: none"> FY 2009 Mail Processing Costs by Shape (Public Portion)
USPS-FY09-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Nonpublic Portion) (Source Code and Data on CD-ROM)

Items in this Report Utilizing Output from USPS-FY09-22

Item Number	Data/Information Provided
USPS-FY09-15	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model/Media Mail – Library Mail Processing Cost Model

USPS-FY09-23

This item is entitled:

USPS-FY09-23 MODS Productivity Data

USPS-FY09-23 documents the development of FY09 MODS-based productivity data for selected operations at plants, Bulk Mail Centers (BMCs), and Remote Encoding Centers (RECs). The main results are presented in the Microsoft Office Excel workbooks 'YRScrub2009.xls,' 'RECProds.xls,' 'BMCscrub2009.xls.'

Predecessor documents are Docket No. R2006-1, USPS-LR-L-56, Part III., Docket No. ACR2007, USPS-FY07-23, and Docket No. ACR2008, USPS-FY08-23. There is no corresponding non-public document.

The following items found in this report are used as input/output to USPS-FY09-23:

Items in this Report Utilizing Output from USPS-FY09-23

Item Number	Data/Information Provided
USPS-FY09-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-10	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY09-11	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY09-15	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model/Media Mail – Library Mail Processing Cost Model

USPS-FY09-24

This item is entitled:

USPS-FY09-24 FY 2009 Non-Operation Specific Piggyback Factors (Public Portion)

USPS-FY09-24 documents development of the piggyback factors for major functions (e.g., mail processing, window service, city delivery, rural delivery, vehicle service drivers, and postmasters) for each Market Dominant product for FY 2009. Piggyback factors are employed in cost studies described in “E” below to augment labor cost estimates for the major functions by adding the costs associated with supervisors and administration, service-wide benefits, along with facility-related and equipment-related costs.

Predecessor documents are Docket No. R2006-1, USPS-LR-L-98, parts I and II and Docket No. ACR2008, USPS-FY08-24. USPS-FY09-NP19 which contains the piggyback factors for all classes and subclasses and also links to the CRA model output, is the non-public version of this document.

The following items found in this report are used as input/output to USPS-FY09-24:

Items in this Report Used as Input to USPS-FY09-24

Item Number	Data/Information Used
USPS-FY09-31	<ul style="list-style-type: none"> FY 2009 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)

Items in this Report Utilizing Output from USPS-FY09-24

Item Number	Data/Information Provided
USPS-FY09-10	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY09-11	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY09-12	<ul style="list-style-type: none"> Standard Mail Hybrid/Parcel Cost Study
USPS-FY09-13	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY09-15	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model/Media Mail – Library Mail Processing Cost Model
USPS-FY09-16	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Bound Printed Matter Transportation Costs / Bulk Parcel Return Service Cost Study
USPS-FY09-18	<ul style="list-style-type: none"> FY 2009 ECR Mail Processing Unit Costs
USPS-FY09-19	<ul style="list-style-type: none"> FY 2009 Delivery Costs By Shape
USPS-FY09-20	<ul style="list-style-type: none"> FY 2009 Window Service Cost by Shape
USPS-FY09-21	<ul style="list-style-type: none"> FY 2009 QBRM and BRM Costs
USPS-FY09-22	<ul style="list-style-type: none"> FY 2009 Bound Printed Matter Mail Processing Costs
USPS-FY09-25	<ul style="list-style-type: none"> FY 2009 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY09-26	<ul style="list-style-type: none"> FY 2009 Mail Processing Costs by Shape (Public Portion)
USPS-FY09-28	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Special Services
USPS-FY09-NP10	<ul style="list-style-type: none"> FY 2009 Competitive Product Incremental and Group Specific Costs

USPS-FY09-25

This item is entitled:

USPS-FY09-25 FY 2009 Mail Processing Piggyback Factors
(Operation Specific)

USPS-FY09-25 documents development of the FY 2009 mail processing cost pool piggyback factors and operation specific mail processing piggyback factors. Piggyback factors are employed in cost studies to augment labor cost estimates for the major functions by adding the costs associated with supervisors and administration, service-wide benefits, and facility-related and equipment-related costs.

Predecessor documents are Docket No. R2006-1, USPS-LR-L-98, parts III and IV and Docket No. ACR2007, USPS-FY07-25. There is no corresponding non-public document.

The following items found in this report are used as input/output to USPS-FY09-25:

Items in this Report Used as Input to USPS-FY09-25

Item Number	Data/Information Used
USPS-FY09-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-8	<ul style="list-style-type: none"> Equipment and Facility Related Costs
USPS-FY09-23	<ul style="list-style-type: none"> MODS Productivity Data
USPS-FY09-24	<ul style="list-style-type: none"> FY 2009 Non-Operation Specific Piggyback Factors (Public Portion)
USPS-FY09-31	<ul style="list-style-type: none"> FY 2009 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)

Items in this Report Utilizing Output from USPS-FY09-25

Item Number	Data/Information Provided
USPS-FY09-10	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY09-11	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY09-12	<ul style="list-style-type: none"> Standard Mail Hybrid/Parcel Cost Study

USPS-FY09-13	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY09-15	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model/Media Mail – Library Mail Processing Cost Model
USPS-FY09-16	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Bound Printed Matter Transportation Costs / Bulk Parcel Return Service Cost Study
USPS-FY09-18	<ul style="list-style-type: none"> FY 2009 ECR Mail Processing Unit Costs
USPS-FY09-19	<ul style="list-style-type: none"> FY 2009 Delivery Costs By Shape
USPS-FY09-20	<ul style="list-style-type: none"> FY 2009 Window Service Cost by Shape
USPS-FY09-21	<ul style="list-style-type: none"> FY 2009 QBRM and BRM Costs
USPS-FY09-22	<ul style="list-style-type: none"> FY 2009 Bound Printed Matter Mail Processing Costs
USPS-FY09-28	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Special Services

USPS-FY09-26

This item is entitled:

USPS-FY09-26 FY 2009 Mail Processing Costs by Shape
(Public Portion)

USPS-FY09-26 provides Mail Processing Unit Costs by Shape for FY 2009 for First-Class, Periodicals, Standard and the Market Dominant portions of the services formerly designated as Package Services. These costs are provided by cost pool, and include piggyback or indirect costs.

Predecessor documents are Docket No. R2006-1, USPS-LR-L-99 and PRC-LR-9; Docket No. ACR 2007, USPS-FY07-26 and Docket No. ACR 2008, USPS-FY08-26. USPS-FY09-NP20 is the corresponding non-public document, containing mail processing costs by shape for Parcel Select and Parcel Return Services.

Mail Processing Costs by Shape are contained in the Microsoft Office Excel workbook shp09prc.xls. Additional information regarding not applying the parcel/flats adjustment for some categories is contained in spreadsheet Parcel-Flats Adjustment FY09.xls.

The following items found in this report are used as input/output to USPS-FY09-26:

Items in this Report Used as Input to USPS-FY09-26

Item Number	Data/Information Used
USPS-FY09-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-14	<ul style="list-style-type: none"> Mail Characteristics Study (Public Portion)
USPS-FY09-24	<ul style="list-style-type: none"> FY 2009 Non-Operation Specific Piggyback Factors (Public Portion)
USPS-FY09-25	<ul style="list-style-type: none"> FY 2009 Mail Processing Piggyback Factors (Operation Specific)

Items in this Report Utilizing Output from USPS-FY09-26

Item Number	Data/Information Provided
USPS-FY09-10	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY09-11	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY09-12	<ul style="list-style-type: none"> Standard Mail Hybrid/Parcel Cost Study
USPS-FY09-13	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY09-15	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model/Media Mail – Library Mail Processing Cost Model
USPS-FY09-16	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Bound Printed Matter Transportation Costs / Bulk Parcel Return Service Cost Study
USPS-FY09-18	<ul style="list-style-type: none"> FY 2009 ECR Mail Processing Unit Costs
USPS-FY09-19	<ul style="list-style-type: none"> FY 2009 Delivery Costs By Shape
USPS-FY09-20	<ul style="list-style-type: none"> FY 2009 Window Service Cost by Shape
USPS-FY09-21	<ul style="list-style-type: none"> FY 2009 QBRM and BRM Costs
USPS-FY09-22	<ul style="list-style-type: none"> FY 2009 Bound Printed Matter Mail Processing Costs
USPS-FY09-30	<ul style="list-style-type: none"> FY 2009 Market Dominant NSA Materials

USPS-FY09-27

This item is entitled:

USPS-FY09-27 FY 2009 Nonprofit Mail Cost Approximations

USPS-FY09-27 approximates the unit costs, total costs and contribution associated with Nonprofit Standard Mail by using the volumes and revenues associated with Nonprofit Standard Mail in conjunction with estimated unit costs by product, shape and rate category for Standard Mail.

Because the Postal Service's data systems do not collect cost information separately for Nonprofit and Commercial mail, the estimated costs reported for Standard Mail represent costs for the combined categories. Although it may be reasonable to assume, for instance, that an Automation 5-Digit Nonprofit letter and an Automation 5-Digit Commercial letter would have similar costs, there may be cost-causing characteristics which are not explicitly incorporated into the cost models and which may vary for Nonprofit as opposed to Commercial mail. The Postal Service does not represent that USPS-FY09-27 necessarily reflects the actual costs of Nonprofit mail, but rather, it approximates the costs of Nonprofit mail assuming that the costs of Nonprofit mail are the same as the costs of Standard Mail at the disaggregated level.

The predecessor document is USPS-FY08-27. In addition to this Word preface, USPS-FY09-27 consists of one Excel file, StandardNonprofit2009.xls. The following items found in this report are used as input/output to USPS-FY09-27:

Items in this Report Used as Input to USPS-FY09-27

Item Number	Data/Information Used
USPS-FY09-2	<ul style="list-style-type: none"> FY 2009 Public Cost Segments and Components
USPS-FY09-4	<ul style="list-style-type: none"> FY 2009 Market Dominant Billing Determinants
USPS-FY09-13	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY09-15	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model/Media Mail – Library Mail Processing Cost Model
USPS-FY09-18	<ul style="list-style-type: none"> FY 2009 ECR Mail Processing Unit Costs
USPS-FY09-19	<ul style="list-style-type: none"> FY 2009 Delivery Costs By Shape
USPS-FY09-20	<ul style="list-style-type: none"> FY 2009 Window Service Cost by Shape

Items in this Report Utilizing Output from USPS-FY09-27

Item Number	Data/Information Provided
USPS-FY09-33	<ul style="list-style-type: none"> • Rule 3050.14 Alternative Format Report for Market Dominant Products

USPS-FY09-28

This item is entitled:

USPS-FY09-28 FY 2009 Special Cost Studies Workpapers – Special Services

The purpose of this item is to document the cost estimates for selected domestic Special Services, supplementing the cost information provided in USPS-FY09-1. The cost studies include: Caller Service, Certificate of Mailing, Confirm, Change of Address Credit Card Authentication (Public Portion), Correction of Mailing Lists, Delivery Confirmation (Public Portion), Insurance, Money Order Inquiry, Periodicals Applications, P.O. Box Key Replacement and Lock Changes, Restricted Delivery, Return Receipt, Signature Confirmation (Public Portion), Stamped Envelopes, Stamped Cards, and ZIP Coding of Mailing Lists.

The predecessor document is Docket No. ACR2008, USPS-FY08-28. The corresponding non-public document is USPS-FY09-NP26.

Below is a brief description of each set of materials:

1. Caller Service

This cost study is contained in the EXCEL file “Caller Service2009.xls.” It contains the cost models and cost sheets that are used to develop Caller Service costs.

2. Certificate of Mailing

This cost study is contained in the EXCEL file “Certificate of Mailing2009.xls.” It contains the cost models and cost sheets that are used to develop Certificate of Mailing costs.

3. Change of Address Credit Card Authentication (Public Portion)

This cost study is contained in the EXCEL file COACreditCardPub2009.xls. It contains the cost models and cost sheets that are used to develop Change of Address Credit Card Authentication costs. The cost of Address Credit Card Authentication is reported in the D report (USPS-FY09-31 and USPS-FY09-NP13).

4. Confirm

This cost study is contained in the EXCEL file "Confirm2009.xls" It contains the cost models and cost sheets that is used to develop Confirm costs. The cost for Confirm is reported in the D report (USPS-FY09-31 and USPS-FY09-NP13).

5. Correction of Mailing Lists

This cost study is contained in the EXCEL file "Correction of Mailing Lists2009.xls." It contains the cost models and cost sheets that are used to develop Correction of Mailing Lists costs. Correction of Mailing Lists is one of the four services under "Address List Services." Because of the process similarity, this study is also used to develop Address Changes for Election Boards costs. The costs of Correction of Mailing Lists and Address Changes for Election Boards are reported in the D report (USPS-FY09-31 and USPS-FY09-NP13).

6. Delivery Confirmation (Public Portion)

This cost study is contained in the EXCEL file DelConPub-FY 2009.xls. It contains the cost models and cost sheets that are used to develop Delivery Confirmation unit cost estimates. A correction is made to re-establish the historical methodology for the distribution of costs of Delivery Confirmation so that the costs are properly distributed to the base products, Priority Mail and Parcel Select. The distribution of costs of Delivery Confirmation is reported in the D report (USPS-FY09-31 and USPS-FY09-NP13).

7. Insurance

This cost study is contained in the EXCEL file "Insurance Costs2009.xls." It contains the cost models and cost sheets that are used to develop Insurance costs.

8. Money Order Inquiry

This cost study is contained in the EXCEL file "Money Order Inquiry Cost2009.xls." It contains the cost models and cost sheets that are used to develop Money Order inquiry costs. In USPS-FY08-28, the domestic money order volume was inadvertently used for Money Order inquiry volume. This has been corrected in USPS-FY09-28 with correct money order inquiry volume.

9. Periodicals Applications

This cost study is contained in the EXCEL file "Periodicals App Fee2009.xls." It contains the cost models and cost sheets that are used to develop Periodicals Application costs.

10. P.O. Box Key Replacement and Lock Changes

This cost study is contained in the EXCEL file "PO Boxes2009.xls." It contains the cost models and cost sheets that are used to develop P.O. Box key duplication and lock change costs.

11. Restricted Delivery

This cost study is contained in the EXCEL file “Restricted Delivery2009.xls.” It contains the cost models and cost sheets that are used to develop Restricted Delivery costs.

12. Return Receipt

This cost study is contained in the EXCEL file “Return Receipt2009.xls.” It contains the cost models and cost sheets that are used to develop Return Receipt costs.

13. Signature Confirmation (Public Portion)

This cost study is contained in the EXCEL file “SIGConPub-FY 2009.xls.” It contains the cost models and cost sheets that are used to develop Signature Confirmation unit cost estimates.

14. Stamped Cards

This cost study is contained in the EXCEL file “Stamped Cards2009.xls”. It contains the cost models and cost sheets that are used to develop Stamped Card costs.

15. Stamped Envelopes

This cost study is contained in the EXCEL file “Stamped Envelopes2009.xls.” It contains the cost models and cost sheets that are used to develop Stamped Envelope costs.

16. ZIP Coding of Mailing Lists

This cost study is contained in the EXCEL file “Zip Coding of Mailing Lists2009.xls.” It contains the cost models and cost sheets that are used to develop ZIP Coding of Mailing Lists costs. ZIP Coding of Mailing Lists is one of the four services under “Address List Services.” Because of the process similarity, this study is also used to develop Carrier Sequencing of Address Cards costs. The costs of ZIP Coding of Mailing Lists and Carrier Sequencing of Address Cards are reported in the D report (USPS-FY09-31 and USPS-FY09-NP13).

The following items found in this report are used as input/output to USPS-FY09-29:

Items in this Report Used as Input to USPS-FY09-28

Item Number	Data/Information Used
USPS-FY09-1	• FY 2009 Public Cost and Revenue Analysis (PCRA) Report
USPS-FY09-2	• FY 2009 Public Cost Segments and Components Report
USPS-FY09-7	• Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-8	• Equipment and Facility Related Costs
USPS-FY09-24	• FY 2009 Non-Operation Specific

	Piggyback Factors (Public Portion)
USPS-FY09-25	• FY 2009 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY09-26	• FY 2009 Mail Processing Costs by Shape (Public Portion)

Items in this Report Utilizing Output from USPS-FY09-28

Item Number	Data/Information Used
USPS-FY09-31	• FY 2009 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY09-NP13	• FY 2009 CRA Model (Model Files, Cost Matrices, and Reports)

USPS-FY09-29

This item is entitled:

USPS-FY09-29 FY 2009 Special Cost Studies Workpapers –
Alternative FCM Workshare Estimates

USPS-FY09-29 documents the First-Class Mail Presort letters and cards mail processing unit cost estimates.

This analysis differs from USPS-FY09-10 in that the worksharing costs avoidances are not derived from the First-Class Mail single-piece letter costs. Instead they are derived from the First-Class Mail presort letter costs. This aligns with the CRA, which provides the costs of the First-Class Mail Single-piece Letters/Cards product separately from the costs of the First-Class Mail Presort Letter/Postcard product. This analysis is not used in any other analyses. This analysis shows the alternative methodology that the Postal Service presented in Docket No. R2006-1 in which the cost avoidances for First-Class Mail workshared letters were “de-linked” from single-piece letters. The Postal Service, in that docket, discussed several improvements to the “linked” methodology previously used to estimate First-Class Mail worksharing-related cost avoidances and the rationale behind those improvements.

The predecessor document is USPS-FY08-29 De-linked FCM Model .xls. There are no corresponding non-public documents. USPS-FY09-29 has one Excel Workbooks. The workbook USPS-FY09-29 Alternate FCM Model .xls performs all calculations necessary to calculate the First-Class Mail Presort letters and cards mail processing costs.

The following items found in this report are used as input/output to USPS-FY09-29:

Items in this Report Used as Input to USPS-FY09-29

Item Number	Data/Information Used
USPS-FY09-8	• Equipment and Facility Related Costs
USPS-FY09-14	• Mail Characteristics Study (Public Portion)
USPS-FY09-19	• FY 2009 Delivery Costs By Shape
USPS-FY09-23	• MODS Productivity Data
USPS-FY09-24	• FY 2009 Non-Operation Specific Piggyback Factors (Public Portion)
USPS-FY09-25	• FY 2009 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY09-26	• FY 2009 Mail Processing Costs by Shape (Public Portion)

USPS-FY09-30

This item is entitled:

USPS-FY09-30 FY 2009 Market Dominant NSA Materials

USPS-FY09-30, FY 2009 Market Dominant NSA Documentation, reports revenues and volumes associated with Market-Dominant NSAs that were in effect during FY09 and had been in effect for one year by the end of FY09. It also calculates the costs and incremental values of those NSAs.

The predecessor document is USPS-FY08-30 (FY 2008 NSA Documentation). Information on competitive domestic NSAs is found in USPS-FY09-NP27.

The following items found in this report are used as input to USPS-FY09-30:

Items in this Report Used as Input to USPS-FY09-30

Item Number	Data/Information Used
USPS-FY09-10	• FY 2009 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY09-11	• FY 2009 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY09-18	• FY 2009 ECR Mail Processing Unit Costs
USPS-FY09-19	• FY 2009 Delivery Costs By Shape
USPS-FY09-24	• FY 2009 Non-Operation Specific Piggyback Factors (Public Portion)

Items in this Report Utilizing Output from USPS-FY09-30

Item Number	Data/Information Provided
USPS-FY09-1	<ul style="list-style-type: none"> FY 2009 Public Cost and Revenue Analysis (PCRA) Report
USPS-FY09-27	<ul style="list-style-type: none"> FY 2009 Nonprofit Mail Cost Approximations
USPS-FY09-NP11	<ul style="list-style-type: none"> FY 2009 Nonpublic Cost and Revenue Analysis (NPCRA) Report (Hard copy & Excel)

USPS-FY09-30 NSA Documentation contains four Microsoft Office Excel workbooks. One file, NSA Unit Cost Detail Data Calculations.xls, pulls together unit cost information. The second file, ACR_FY09_NAS_report.xls, contains one worksheet that replicates the summary unit costs information from the first file (NSA Unit Cost Detail Data Calculations.xls), a series of worksheets containing calculations related to each NSA, a worksheet that contains the Panzar/Wolak test calculations for all NSAs, and one worksheet that presents summary calculations for the FY 2009 CRA. The third and fourth files, BACY1Value.xls and weighted average read rates.xls, contain cost calculations for the Bank of America NSA.

USPS-FY09-31

This item is entitled:

USPS-FY09-31 FY 2009 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)

USPS-FY09-31 contains the Fiscal Year 2009 Cost and Revenue Analysis (CRA) Model along with public versions of associated cost matrices and reports. In the public cost matrices and reports, costs for Express Mail, Priority Mail, Parcel Select Mail, Parcel Return Service Mail, and Premium Forwarding Service have been rolled up into a single domestic Competitive products total. All files are provided in Excel format on CD-ROM.

In the Postal Service's FY 2008 Annual Compliance Report (ACR) filing (Docket No. ACR2008, December 29, 2008), this material was presented as USPS-FY08-31. The Commission, in its FY 2008 Annual Compliance Determination filing (Docket No. ACR2008, March 30, 2009), filed the equivalent cost matrices and reports as part of PRC-ACR2008-LR2. A non-public version of the FY 2009 CRA Model is filed as USPS-FY09-NP13. USPS-FY09-NP13 contains complete cost data for the domestic Competitive products listed above.

The following items found in this report are used as input/output to USPS-FY09-31:

Items in this Report Used as Input to USPS-FY09-31

Item Number	Data/Information Used
USPS-FY09-5	<ul style="list-style-type: none"> Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Reallocated Trial Balances)
USPS-FY09-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-8	<ul style="list-style-type: none"> Equipment and Facility Related Costs
USPS-FY09-30	<ul style="list-style-type: none"> FY 2009 Market Dominant NSA Materials
USPS-FY09-32	<ul style="list-style-type: none"> FY 2009 CRA "B" Workpapers (Public Version)
USPS-FY09-28	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Special Services
USPS-FY09-37	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Public Version)
USPS-FY09-NP26	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Special Services (Nonpublic Portion)
USPS-FY09-NP27	<ul style="list-style-type: none"> 2009 Competitive NSA Materials

Items in this Report Utilizing Output from USPS-FY09-31

Item Number	Data/Information Provided
USPS-FY09-NP4	<ul style="list-style-type: none"> FY 2009 ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)

The contents of USPS-FY09-31 are organized in CD-ROM folders as follows:

1. CRA Model

USPS-FY09-31\Model\CRA.Model.xls	CRA run module
USPS-FY09-31\Model\CRA.DIM.xls	CRA data input module
USPS-FY09-31\Model\FY09.cntl.xls	CRA control tables and source documentation

2. Cost Files

USPS-FY09-31\Cost\FY09.I.xls	Input matrix
USPS-FY09-31\Cost\FY09.Mod1.xls	GDEI calculations and output matrix
USPS-FY09-31\Cost\FY09.A.xls	"A" calculations and output matrix
USPS-FY09-31\Cost\FY09.F.xls	"F" calculations and output matrix

USPS-FY09-31\Cost\FY09.B.xls

"B" calculations and output matrix

3. Reports

USPS-FY09-31\Reports\FY09.IRpt.xls
 USPS-FY09-31\Reports\FY09.ARpt.xls
 USPS-FY09-31\Reports\FY09.FRpt.xls
 USPS-FY09-31\Reports\FY09.BRpt.xls
 USPS-FY09-31\Reports\FY09.CRpt.xls
 USPS-FY09-31\Reports\FY09.DRpt.xls

Input report
 "A" report (without PESSA costs)
 Factor report
 "B" report (PESSA detail)
 Cost segments and components report
 Final adjustments

USPS-FY09-32

This item is entitled:

USPS-FY09-32 FY 2009 CRA "B" Workpapers (Public Version)

USPS-FY09-32, FY 2009 CRA "B" Workpapers, input and calculate costs by cost segment which are used by USPS FY09-31, CRA Model, to produce USPS-FY09-2, Cost Segments and Components Report. The workpapers produce some product attributable costs for 13 of the 18 cost segments, including Postmasters, Supervisors, Clerks and Mail Handlers, In-Office City Carrier Activities, City Carrier and Rural Carrier Street Costs, Purchased Transportation, etc. It contains electronic documentation of the spreadsheets and programs used to develop these costs.

The predecessor document is Docket No. ACR2008, USPS-FY08-6. From the same docket, also see PRC-ACR2008-LR2 FY2008 Costs (subdirectory "Segment WPs"). USPS-FY09-NP14 is the corresponding non-public document.

The USPS-FY09-32 "B" Workpapers are thirteen separate Microsoft Office Excel workbooks, twelve of which present cost data by separate cost segments with any worksheets in each, and the other of which, I-forms.xls, exports data to those cost segment workbooks. Data sources are referenced in each spreadsheet.

The following items found in this report are used as input/output to USPS-FY09-32:

Items in this Report Used as Input to USPS-FY09-32

Item Number	Data/Information Used
USPS-FY09-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-34	<ul style="list-style-type: none"> City Carrier Cost System (CCCS) Statistical and Computer Documentation
USPS-FY09-35	<ul style="list-style-type: none"> Rural Carrier Cost System (RCCS) Statistical and Computer Documentation
USPS-FY09-36	<ul style="list-style-type: none"> Transportation Cost Systems (TRACS) Statistical and Computer Documentation
USPS-FY09-NP18	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Nonpublic Portion)

Items in this Report Utilizing Output from USPS-FY09-32

Item Number	Data/Information Provided
USPS-FY09-31	<ul style="list-style-type: none"> FY 2009 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)

USPS-FY09-33

This item is entitled:

USPS-FY09-33 Rule 3050.14 Alternative Format Report for Market Dominant Products

USPS-FY09-33 is presented in response to Commission Rule 3050.14. In addition to establishing the format for the Cost and Revenue Analysis Report (CRA) (“reflecting the classification structure in the Mail Classification Schedule”), that rule also call for “an alternative, more disaggregated format capable of reflecting the classification structure in effect prior to the adoption of the Postal Accountability and Enhancement Act.” The Appendix to the Order adopting Rule 3050.14 (Order No. 203, April 16, 2009) provided an illustration of the type of alternative format contemplated by the rule. This public folder is limited to the alternative format materials for Market Dominant mail.

A corresponding non-public folder is being filed as USPS-FY09-NP28, which contains the alternative format material for Competitive products. There is no direct predecessor to this material. On pages 10-11 of the text of the FY08 ACR (Dec. 29, 2008), a table of similar information was presented, but exclusively for the pre-PAEA categories of First-Class Mail.

None of the outputs of USPS-FY09-33 are specifically used as inputs to any other portions of the ACR, as the purpose of these materials is merely to comply with the rule requiring an alternative format presentation. The inputs used to compile the data displayed in USPS-FY09-33 come from a wide variety of sources, including the cost study models, RPW data, Billing Determinants, alternative runs of the CRA model, and the ICRA. Because postal data systems do not have the ability to gather data, particularly cost data, specifically for many of the categories in the Rule 3050.14 listing (for example, no cost information exists for nonprofit mail separately from commercial mail, nor for the three categories of Outside County Periodicals, and the Inter-BMC and Intra-BMC distinctions no longer exist in Parcel Post and Parcel Select), the methodologies used to attempt to populate this chart vary. Thus, the aggregation of cost data from underlying categories of mail from one report or estimation methodology may not always match those developed via a different estimation technique. Ultimately, the costs, volumes and revenues available at the product level in the CRA are used as the defaults in USPS-FY09-33. The data at the more disaggregated levels, to the extent that it exists, may not sum to the CRA aggregate information at the product level.

The following items found in this report are used as input to USPS-FY09-33:

Items in this Report Used as Input to USPS-FY09-33	
Item Number	Data/Information Used
USPS-FY09-1	<ul style="list-style-type: none"> FY 2009 Public Cost and Revenue Analysis (PCRA) Report
USPS-FY09-4	<ul style="list-style-type: none"> FY 2009 Market Dominant Billing Determinants

USPS-FY09-33 consists of this Preface document (Word), and one Excel file, USPS.FY09.33.Alt.Format.Market.Dom.xls.

USPS-FY09-34

This item is entitled:

USPS-FY09-34 City Carrier Cost System (CCCS) Statistical and Computer Documentation (Public Portion)

USPS-FY09-34 documents the statistical design of the City Carrier Cost System (CCCS) and City Carrier Cost System – Special Purpose Route (CCCS-SPR). It contains printed and electronic documentation of the statistical design and the programs used to develop volume estimates for classes, products, and price categories of mail collected and delivered on city letter routes and city special purpose routes. Also included are proportions, coefficients of variation (CVs), and confidence intervals for the estimates.

Predecessor documents are USPS-FY08-NP22, USPS-FY08-34, and Docket No. R2006-1, USPS-LR-L-11. A non-public version of this document is provided as USPS-FY09-NP22.

The relevant source code and outputs from the CCCS are provided on the accompanying CD-ROMs. The ‘CCCS_ReadMe_FY09’ and ‘CCCS-SPR_ReadMe_FY09’ files describe the contents of the CD-ROMs, which include Excel files containing proportions, coefficients of variation (CVs), and confidence intervals for both CCCS and CCCS-SPR estimates. Additionally, overviews of the statistical design and descriptions of the estimation processes are described in the System Documentation sections.

The following items found in this report are used the output from USPS-FY09-34:

Items in this Report Utilizing Output from USPS-FY09-34

Item Number	Data/Information Provided
USPS-FY09-2	<ul style="list-style-type: none"> • FY 2009 Public Cost Segments and Components Report
USPS-FY09-19	<ul style="list-style-type: none"> • FY 2009 Delivery Costs By Shape
USPS-FY09-NP3	<ul style="list-style-type: none"> • FY 2009 International Cost Segments and Components Report (Hard Copy & Excel)
USPS-FY09-NP12	<ul style="list-style-type: none"> • FY 2009 Nonpublic Cost Segments and Components Report (Hard copy & Excel)

USPS-FY09-35

This item is entitled:

USPS-FY09-35 Rural Carrier Cost System (RCCS) Statistical and Computer Documentation (Public Portion)

USPS-FY09-35 documents the statistical design of the Rural Carrier Cost System (RCCS). It contains printed and electronic documentation of the statistical design and the programs used to develop volume estimates for classes, products, and price categories of mail collected and delivered on rural routes. Also included are proportions, coefficients of variation (CVs), and confidence intervals for the estimates.

Predecessor documents are USPS-FY08-35, USPS-FY08-NP23, and Docket No. R2006-1, USPS-LR-L-12. A non-public version of this document is provided as USPS-FY09-NP23.

The relevant source code and outputs from the RCCS are provided on the accompanying CD-ROM. The 'RCCS_ReadMe_FY09(Public)' file describes the contents of the CD-ROM, which includes an Excel file containing proportions, coefficients of variation (CVs), and confidence intervals for RCCS estimates. Additionally, an overview of the statistical design and descriptions of the estimation processes are described in the System Documentation section.

The following items found in this report use the output from USPS-FY09-NP23:

Items in this Report Utilizing Output from USPS-FY09-35

Item Number	Data/Information Provided
USPS-FY09-2	• FY 2009 Public Cost Segments and Components Report
USPS-FY09-19	• FY 2009 Delivery Costs By Shape
USPS-FY09-NP3	• FY 2009 International Cost Segments and Components Report (Hard Copy & Excel)
USPS-FY09-NP12	• FY 2009 Nonpublic Cost Segments and Components Report (Hard copy & Excel)

USPS-FY09-36

This item is entitled:

USPS-FY09-36 Transportation Cost Systems (TRACS)
Statistical and Computer Documentation (Public Portion)

USPS-FY09-36 documents the development of the estimated distribution keys for purchased transportation costs. It contains documentation for the Transportation Cost Systems (TRACS) subsystems used to develop these costs. It also presents materials on the FY09 C.V.s (coefficients of variation) for TRACS.

The development of the TRACS estimated distribution keys material was presented in Docket No. ACR2008 USPS-FY08-36. The FY08 TRACS C.V.s material was presented, along with other cost system FY08 C.V.s, in an electronic attachment filed with the Postal Regulatory Commission on February 6, 2009. A non-public version of this document is provided as USPS-FY09-NP24 Transportation Cost System (TRACS).

The following items found in this report are used as input/output to USPS-FY09-36:

Items in this Report Utilizing Output from USPS-FY09-36

Item Number	Data/Information Provided
USPS-FY09-32	<ul style="list-style-type: none"> FY 2009 CRA "B" Workpapers (Public Version)
USPS-FY09-NP2	<ul style="list-style-type: none"> FY 2009 International Cost and Revenue Analysis (ICRA) report (Hard Copy & Excel)
USPS-FY09-NP14	<ul style="list-style-type: none"> FY 2009 CRA "B" Workpapers

USPS-FY09-37

This item is entitled:

USPS-FY09-37 In-Office Cost System (IOCS) Statistical and Computer Documentation (Public Version)

USPS-FY09-37 documents the In-Office Cost System, including statistical design for and estimation of in-office labor costs. It also presents FY09 CVs and confidence intervals for the estimates. Documentation of statistical design and estimation were provided previously in Docket No. R2006-1, USPS-LR-L-9 and ACR2008, FY08-USPS-37. The FY08 IOCS CVs were presented in Docket No. ACR2008, USPS-FY08-NP31. The corresponding non-public document is USPS-FY09-NP21, In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM).

This item describes the statistical design of IOCS, and provides information on the system's programs. An Appendix A lists changes in data codes since FY08. Electronic data files, programs, data dictionary, flowchart, output logs and CVs are provided in the accompanying CD, described in an Appendix B.

The following items found in this report are using the output from USPS-FY08 – 37:

Items in this Report Utilizing Output from USPS-FY09-37

Item Number	Data/Information Provided
USPS-FY09-2	<ul style="list-style-type: none"> FY 2009 Public Cost Segments and Components Report
USPS-FY09-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-8	<ul style="list-style-type: none"> Equipment and Facility Related Costs
USPS-FY09-19	<ul style="list-style-type: none"> FY 2009 Delivery Costs By Shape
USPS-FY09-NP2	<ul style="list-style-type: none"> FY 2009 International Cost and Revenue Analysis (ICRA) report (Hard Copy & Excel)
USPS-FY09-NP7	<ul style="list-style-type: none"> Cost Segment 3 International Subclass Costs by Cost Pools (Volume Variable Cost Pools)

USPS-FY09-38

This item is entitled:

USPS-FY09-38 USPS Market Dominant Product Customer Satisfaction Measurement (CSM) Survey Instruments

USPS-FY09-38 consists of the electronic copies on CD-ROM of the two surveys instruments used by the Postal Service to develop measures of customer satisfaction for fiscal year 2009. The first is the US Postal Service Delivery Opinion Survey used to survey residential and small business postal customers. The second is the USPS Feedback Questionnaire, which was used to survey national and premier account businesses that use the mail.

The predecessor document is USPS-FY08-38, and no input or output data (as the files merely contain survey instruments, but no data). CSM data are reported in the ACR.

USPS-FY09-39

This item is entitled:

USPS-FY09-39 FY 2009 Competitive Products Fund Reporting Materials

USPS-FY09-39, Competitive Products Fund Reporting Materials, includes a copy of the Postal Service's annual report to the Secretary of the Treasury regarding the Competitive Products Fund, required by section 2011(i), and other Competitive Products Fund materials provided in accordance with Commission Rules 3060.20 through 3060.23. Specifically, this year that other material includes PRC Forms CP-01, CP-02, and CP-03. The initial date for filing PRC Form CP-04 (Statement of Allocated Assets and Liabilities for Competitive Products) is not until after FY 2010.

Predecessor materials were not formally filed as part of Docket No. ACR2008. Instead, the Treasury Report for FY08 was filed by letter to the Commission dated December 30, 2008. The PRC Forms for FY08 were submitted by letter dated Jan. 15, 2009, although some of the figures reported in those forms were later superseded by figures in the Commission's ACD, as reflected in the Postal Service's letter of July 15, 2009, regarding calculation of the assumed income tax.

For PRC Forms CP-01 and CP-02, inputs are this year's FY09 CRA and last year's PRC Forms CP-01 and CP-02 (albeit modified to reflect the Commission's FY08 ACD). Inputs for PRC Form CP-03 come from accounting records.

USPS-FY09-40

This item is entitled:

USPS-FY09-40 Rural Mail Count Data and Analysis (RMC) Statistical and Computer Documentation (Source Code and Data on CD-ROM)

USPS-FY09-40 documents the format of Rural Mail Count (RMC) data and the SAS program used to develop the inputs into the USPS-FY09-32 "B" workpapers. These inputs include the variability of rural carriers for Evaluated and Other Routes, and the average daily pieces for each evaluation item.

The predecessor document is Docket No. R2006-1, USPS-LR-L-70. There is no corresponding non-public document. The relevant source code and RMC data are provided on an accompanying CD-ROMs.

Items in this Report Utilizing Output from USPS-FY09-40

Item Number	Data/Information Provided
USPS-FY09-32	<ul style="list-style-type: none"> FY 2009 CRA "B" Workpapers (Public Version)
USPS-FY09-NP14	<ul style="list-style-type: none"> FY 2009 CRA "B" Workpapers, (Non-Public Version)

USPS-FY09-41

This item is entitled:

USPS-FY09-41 International Market Dominant Billing Determinants

This item contains the billing determinants for market dominant international products. Last year, this material was provided, along with the competitive international billing determinants, in USPS-FY08-NP8,

**SECTION ONE: DESCRIPTION OF ITEMS
Non-Public Annex**

USPS-FY09-NP1

This item is entitled:

USPS-FY09-NP1 FY 2009 Domestic Competitive Product Billing Determinants

The purpose of this item is to provide the U.S. Postal Service billing determinants for domestic competitive products for FY 2009. Billing determinants provide specific information regarding revenue and volume of postal products and services. This item consists of Excel workbooks containing FY 2009 billing determinants for competitive products. A CD ROM contains the electronic version, and several printouts contains the hard copy version of the billing determinants. The predecessor document is Billing Determinants FY 2008, filed with the Postal Regulatory Commission as USPS-FY08-NP1.

The following items found in this report are used as input/output to USPS-FY09-NP1:

Items in this Report Utilizing Output from USPS-FY09-NP1

Item Number	Data/Information Provided
USPS-FY09-NP15	<ul style="list-style-type: none"> • FY 2009 Special Cost Studies Workpapers - Parcels Cost Models (Nonpublic Portion)
USPS-FY09-NP16	<ul style="list-style-type: none"> • FY 2009 Special Cost Studies Workpapers - Bound Printed Matter and Parcel Post Transportation Costs / Bulk Parcel Return Service Cost Study (Nonpublic Portion)
USPS-FY09-NP27	<ul style="list-style-type: none"> • 2009 Competitive NSA Materials

USPS-FY09-NP2

This item is entitled:

USPS-FY09-NP2 FY 2009 International Cost and Revenue Analysis (ICRA) report (Hard copy & Excel)

The purpose of this item is to present the hardcopy ICRA report and the Excel model that produced the ICRA report. This item was filed as USPS-FY08-NP2 in Docket No. ACR-2008. There is no corresponding public document.

The inputs to this item are presented and documented in a Supporting Files folder and they appear in the model at the Inputs.xls file. The processing of the inputs occurs in the ICRA core files and the output is the ICRA report, which appears in the Reports.xls file.

Items in this Report Used as Input to USPS-FY09-NP2

Item Number	Data/Information Used
USPS-FY09-NP4	<ul style="list-style-type: none"> FY 2009 ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)

Items in this Report Utilizing Output from USPS-FY09-NP2

Item Number	Data/Information Provided
USPS-FY09-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Portion)

The electronic contents of the CD are the following folders, each containing separate files:

Readme.doc is a narrative explaining how to install and run the model on a PC, and provides a more detailed explanation of the files contained in the directories.

Supporting Files:

- CRA Cost Segments
- CS 14 Distribution Keys
- EPG & EMS Rates
- GXG
- IAB Data Files As Provided
- ICM Costing
- Parcel Settlement Rates
- Processed IAB Files
- RPW Report
- Sirvo Inputs

ICRA Core Files:

- Country Level Detail for ICRA
- CS14.xls
 - Domestic Tran Calcs.xls
 - EMS & GXG Calcs.xls
 - Inbound Calcs.xls
 - Inputs.xls
 - OldFormat.xls
 - Outbound Calcs.xls
 - Reports.xls (this file contains the electronic version of the hardcopy ICRA report)
 - Workbook Management Tools.xls

USPS-FY09-NP3

This item is entitled:

USPS-FY09-NP3 FY 2009 International Cost Segments and Components Report (Hard Copy and Excel)

The purpose of this item is to provide the hardcopy International Cost Segments and Components Report and the electronic version contained in the Excel file, Y09IPRC.Crpt.xls. This item is the International Cost Segments and Components Report, or C Report, output of the Domestic Processing Model, USPS-FY09-NP4. This item was filed as USPS-FY08-NP3 in Docket No. ACR-2008. There is no corresponding public document.

USPS-FY09-NP3 contains the hardcopy and electronic versions of the FY 2009 International Cost Segments and Components Report.

Items in this Report Utilizing Output from USPS-FY09-NP3

Item Number	Data/Information Provided
USPS-FY09-NP4	<ul style="list-style-type: none"> • FY 2009 ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)

USPS-FY09-NP4

This item is entitled:

USPS-FY09-NP4 FY 2007 ICRA Domestic Processing Model (Cost matrices, Reports, Control File, & Changes)

The purpose of this item is provide the Excel ICRA model that produces the international category cost detail associated with the domestic processing, delivery and piggyback cost segments. This shows all international costs except domestic transportation, international transportation and settlement charges. The cost matrices, reports and control files to execute the model are contained

here. The predecessor document was filed as USPS-FY08-NP4 in Docket No. ACR-2008. There is no corresponding public document.

The following items found in this report are used as input/output to USPS-FY09-NP4:

Items in this Report Used as Input to USPS-FY09-NP4

Item Number	Data/Information Used
USPS-FY09-NP3	<ul style="list-style-type: none"> FY 2009 International Cost Segments and Components Report (Hard Copy & Excel)
USPS-FY09-NP6	<ul style="list-style-type: none"> FY 2009 International Cost Segment Spreadsheets
USPS-FY09-NP7	<ul style="list-style-type: none"> Cost Segment 3 International Subclass Costs by Cost Pools (Volume Variable Cost Pools)
USPS-FY09-NP13	<ul style="list-style-type: none"> FY 2009 CRA Model (Model Files, Cost Matrices, and Reports)
USPS-FY09-NP14	<ul style="list-style-type: none"> FY 2009 CRA "B" Workpapers

Items in this Report Utilizing Output from USPS-FY09-NP4

Item Number	Data/Information Provided
USPS-FY09-NP2	<ul style="list-style-type: none"> FY 2009 International Cost and Revenue Analysis (ICRA) report (Hard Copy & Excel)

The electronic contents of the CD are as follows:

SettingupDPMReadme.txt is a narrative explaining how to install and run the model on a PC.

Inputs Folder:

- FY09.B.xls
- ICRA09PRC.xls (also appears in USPS-FY09-NP6)
- FY09distkeys.xls
- FY09.I.xls
- ICRAEQUIP.FLATFY09.xls

- FY09IPRC.ARPT.xls
- FY09IPRC.BRPT.xls
- FY09IPRC.CRPT.xls
- FY09IPRC.FRPT.xls
- FY09IPRC.IRPT.xls

FY09IPRC.Mod1.xls
 FY09IPRC.A.xls
 FY09IPRC.B.xls
 FY09IPRC.Cntl.xls
 FY09IPRC.F.xls
 FY09IPRC.I.xls
 FY09IPRC.KRPT.xls
 FY09IPRC.OutputMatrix.xls

Programs Folder:
 CRA.DIM.xls
 CRA.Model.xls

USPS-FY09-NP5

This item is entitled:

USPS-FY09-NP5 FY 2009 ICRA Overview/Technical Description

The purpose of this item is to provide the narrative descriptions and documentation of the ICRA production process in two parts. Part 1 is a summary and functional description of the six areas which constitute the development of the ICRA report: domestic processing, domestic transportation, international transportation, settlement charges and foreign origin mail, with example pages of the FY 2009 ICRA Report. Part 2 contains technical descriptions and computational details of the same six development areas, technical descriptions of the SIRVO-IODIS and SIRVI data systems, and the final chapter is a user’s guide to the Excel ICRA model. This item was filed as USPS-FY08-NP5 in Docket No. ACR-2008. There is no corresponding public document.

The following is the table of contents for this item:

Part 1. Overview and Summary Description

- Overview
- Summary Description 1 Domestic Processing
- Summary Description 2 Domestic Transportation
- Summary Description 3 International Mail Volumes
- Summary Description 4 International Transportation
- Summary Description 5 Settlements
- Summary Description 6 Foreign Origin

Part 2. Technical Description

- Chapter 1 Development of Domestic Processing Costs
- Chapter 2 Development of Domestic Transportation Costs
- Chapter 3 Development of International Mail Volume
- Chapter 4 Development of International Transportation Costs
- Chapter 5 Development of Settlements Charges
- Chapter 6 Development of Foreign Origin Volume and Revenue

Chapter 7 System for Outbound Revenue, Pieces, and Weight
 Chapter 8 System for Inbound Revenue, Pieces, and Weight
 Chapter 9 Development of International Special Services
 Chapter 10 User’s Guide to Files Provided for the ICRA 2008 PRC.....

USPS-FY09-NP6

This item is entitled:

USPS-FY09-NP6 FY 2009 International Cost Segment Workpapers

The purpose of this item is to provide the workpapers used as inputs to USPS-FY09-NP4 (FY 2009 ICRA Domestic Processing Model (Cost Matrices, Reports, Control Files, & Changes)). These spreadsheets are also contained in USPS-FY08-NP4 because these files need to be in that directory to execute the model.

The predecessor document was filed as USPS-FY08-NP6 in Docket No. ACR-2008. There is no corresponding public document. This item contains three electronic files: ICRA08PRC.xls, FY09 Distkeys.xls and ICRAEQUIP.FLATFY09. The inputs to this item are USPS-FY09-NP14 (FY 2009 CRA “B” Workpapers), FY09distkeys.xls and ICRAEQUIP.FLATFY09.xls.

The following items found in this report are used as input/output to USPS-FY09-NP6:

Items in this Report Used as Input to USPS-FY09-NP6

Item Number	Data/Information Used
USPS-FY09-NP14	• FY 2009 CRA “B” Workpapers

Items in this Report Utilizing Output from USPS-FY09-NP6

Item Number	Data/Information Provided
USPS-FY09-NP4	• FY 2009 ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)

USPS-FY09-NP7

This item is entitled:

USPS-FY09-NP7 FY 2009 Cost Segment 3 International subclass costs by cost pools (Volume Variable Cost Pools)

USPS-FY09-NP7 documents detailed international volume-variable subclass costs by cost pool that are inputs to the ICRA model. USPS-FY08-NP7 is the predecessor to USPS-FY09-NP7.

The following items found in this report are used as input/output to USPS-FY09-NP7:

Items in this Report Used as Input to USPS-FY09-NP7

Item Number	Data/Information Used
USPS-FY09-23	<ul style="list-style-type: none"> MODS Productivity Data
USPS-FY09-NP2	<ul style="list-style-type: none"> FY 2009 International Cost and Revenue Analysis (ICRA) report (Hard Copy & Excel)
USPS-FY09-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)

Items in this Report Utilizing Output from USPS-FY09-NP7

Item Number	Data/Information Provided
USPS-FY09-NP4	<ul style="list-style-type: none"> FY 2009 ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)

USPS-FY09-NP8

This item is entitled:

USPS-FY09-NP8 FY 2009 International Billing Determinants

The purpose of this item is to present the FY 2009 International Billing Determinants, showing the revenue, pieces and weight for each rate cell with a mail product. International Billing Determinants were most recently filed as USPS-FY08-NP8. There is no corresponding public document.

Inputs come from various sources such as MIDAS, GBS Dispatch, International Accounting Branch (IAB) pieces and weight, and SIRVO-IODIS. Global Business System (GBS) Dispatch is a replacement system for MIDAS, and hereafter these are named 'MIDAS/GBS Dispatch' to represent dispatch weights for all sources.

The data uses the same sources that underlie the Fiscal Year 2009 ICRA Report. Outputs are used throughout the ICRA process.

Billing determinants are provided in a ZIP file labeled FY2009 International Billing Determinants using the following key:

Filename:	Product Category:
ISAL.ICRA09.BD.DATA	ISAL Non Mbags by Rate Group; Pre and Post May Rates
FMI_Q1FY2009_BillDet_PreRateChg	First-Class Mail International – Q1
FMI_Q2FY2009_BillDet_PreRateChg	First-Class Mail International – Q2
FMI_Q3FY2009_BillDet_PreRateChg	First-Class Mail International – Q3 Pre May Rates
FMI_Q3FY2009_BillDet_PostRateChg	First-Class Mail International – Q3 Post May Rates
FMI_Q4FY2009_BillDet_PostRateChg	First-Class Mail International – Q4
PMI_Q1FY2009_BillDet_PreRateChg_v3	Priority Mail International – Q1
PMI_Q2FY2009_BillDet_PreRateChg_v3	Priority Mail International – Q2
PMI_Q3FY2009_BillDet_PreRateChg_v3	Priority Mail International – Q3 Pre May Rates
PMI_Q3FY2009_BillDet_PostRateChg_v3	Priority Mail International – Q3 Post May Rates
PMI_Q4FY2009_BillDet_PostRateChg_v3	Priority Mail International – Q4
FMICards_Q1FY2009_BillDet_PreRateChg_v3	First-Class Mail International Postcards – Q1
FMICards_Q2FY2009_BillDet_PreRateChg_v3	First-Class Mail International Postcards – Q2
FMICards_Q3FY2009_BillDet_PreRateChg_v3	First-Class Mail International Postcards – Q3 Pre May Rates
FMICards_Q3FY2009_BillDet_PostRateChg_v3	First-Class Mail International Postcards – Q3 Post May Rates
FMICards_Q4FY2009_BillDet_PostRateChg_v3	First-Class Mail International Postcards – Q4
IPA_Q1FY2009_BillDet_PreRateChg_v3	IPA Non-Mbags - Q1
IPA_Q2FY2009_BillDet_PreRateChg_v3	IPA Non-Mbags – Q2
IPA_Q3FY2009_BillDet_PreRateChg_v3	IPA Non-Mbags – Q3 Pre May Rates
IPA_Q3FY2009_BillDet_PostRateChg_v3	IPA Non-Mbags – Q3 Post May Rates
IPA_Q4FY2009_BillDet_PostRateChg_v3	IPA Non-Mbags – Q4
MbagQ1FY2009_BillDet	Direct Sacks, IPA Mbag, ISAL Mbag by Rate Group – Q1
MbagQ2FY2009_BillDet	Direct Sacks, IPA Mbag, ISAL Mbag by Rate Group – Q2
MbagQ3FY2009_BillDet_PreRateChg	Direct Sacks, IPA Mbag, ISAL Mbag by Rate Group – Q3 Pre May Rates
MbagQ3FY2009_BillDet_PostRateChg	Direct Sacks, IPA Mbag, ISAL Mbag by Rate Group – Q3 Post May Rates

MbagQ4FY2009_BillDet_PostRateChg	Direct Sacks, IPA Mbag, ISAL Mbag by Rate Group – Q4
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USPS-FY09-NP9

This item is entitled:

USPS-FY09-NP9 FY 2009 Miscellaneous International Data

The purpose of this item is to provide miscellaneous documents that are not used in the development of the ICRA, but have been traditionally filed in response to Commission Rule 103. The miscellaneous documents include data on international joint ventures and coefficients of variation for various functions. This item was filed as USPS-FY08-NP8 in Docket No. ACR-2008. There is no corresponding public document.

The inputs to this item are data from International Postal Affairs, the In-Office Cost System discussed in USPS-FY09-NP21 (In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)). And the Sirvo and Sirvi volume estimation systems discussed in USPS-FY09-NP5 (FY 2009 ICRA Overview/Technical Description).

The following items found in this report are used as input/output to USPS-FY09-NP9:

Items in this Report Used as Input to USPS-FY09-NP9	
Item Number	Data/Information Used
USPS-FY09-NP5	<ul style="list-style-type: none"> FY 2009 ICRA Overview/Technical Description
USPS-FY09-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)

The electronic contents of the CD are as follows:

Word Documents:

- Joint Venture Information
- CVs for GFY 2009 ICRA Inbound

Excel Spreadsheets:

- Sirvo-IODIS CV09 (CVs for outbound categories)
- Keys09 (TRACs CVs)
- ICRA PRC Results 09 (for IOCS CVs)

USPS-FY09-NP10

This item is entitled:

USPS-FY09-NP10 FY 2009 Competitive Product Incremental and Group Specific Costs

USPS-FY09-NP10 provides incremental costs for the group of competitive products for FY 2009. The FY2009 incremental costs (or as discussed below, its proxy -- Hybrid Incremental Costs) is \$6,230.8 million. USPS-FY09-NP10 is based on the pending Proposal 22.

The incremental costs identified in USPS-FY09-NP10 are used in the ACR to assist in the determination that there is no cross-subsidy of Competitive Products by Market Dominant products.

There is no predecessor document. However, USPS-FY08-NP10 is a predecessor for the portion of the work relating to competitive group specific costs. There is no corresponding public document. Microsoft Office Excel workbook Competitive Product Group Specific HQ Costs.xls. shows the cost segment 18 costs for the 14 administrative units and programs that are Competitive Group Specific.

The following items found in this report are used as input to USPS-FY09-NP10:

Items in this Report Used as Input to USPS-FY09-NP10

Item Number	Data/Information Used
USPS-FY09-2	<ul style="list-style-type: none"> FY 2009 Public Cost Segments and Components Report
USPS-FY09-24	<ul style="list-style-type: none"> FY 2009 Non-Operation Specific Piggyback Factors (Public Portion)
USPS-FY09-NP2	<ul style="list-style-type: none"> FY 2009 International Cost and Revenue Analysis (ICRA) report (Hard Copy & Excel)
USPS-FY09-NP12	<ul style="list-style-type: none"> FY 2009 Nonpublic Cost Segments and Components Report (Hard copy & Excel)
USPS-FY09-NP13	<ul style="list-style-type: none"> FY 2009 CRA Model (Model Files, Cost Matrices, and Reports)
USPS-FY09-NP14	<ul style="list-style-type: none"> FY 2009 CRA "B" Workpapers, (Non-Public Version)
USPS-FY09-NP18	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Nonpublic Portion)

USPS-FY09-NP11

This item is entitled:

USPS-FY09-NP11 FY 2009 Non-Public Cost and Revenue Analysis (NPCRA) Report

USPS-FY09-NP11, FY 2009 Non-Public Cost and Revenue Analysis (NPCRA) summarizes attributable costs for the United States Postal Service’s main products. The FY 2009 NPCRA presents most of the same information as in previous years – costs and revenues by product, along with various volume statistics by product, including data for mail products designated as “Competitive” products, but also adds several International products and and Negotiated Service Agreement (NSA) lines (which are a subset of a product that received discounts based on prior agreement with the mailer.) Note that the new list of products covered by the CRA does not correspond exactly to the old list of subclasses, but there is substantial overlap.

The USPS-FY09-NP-11, 2009 Non-Public Cost and Revenue Analysis (NPCRA) is a 10 page summary of domestic and international attributable costs by rate category, differing from the public version (USPS-FY09-1) by presenting data for specific “Competitive” product lines.

The predecessor document is Docket No: ACR-2008, PRC-ACR2008-LR11, Reports.. The corresponding public document is USPS- FY09-1: FY 2009 Public Cost and Revenue Analysis (PCRA).

Among the primary outputs from the NPCRA report are the attributable costs by subclass. The following items found in this report are used as input to USPS-FY09-NP11:

Items in this Report Used as Input to USPS-FY09-NP11

Item Number	Data/Information Used
USPS-FY09-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-NP2	<ul style="list-style-type: none"> FY 2009 International Cost and Revenue Analysis (ICRA) report (Hard Copy & Excel)
USPS-FY09-NP13	<ul style="list-style-type: none"> FY 2009 CRA Model (Model Files, Cost Matrices, and Reports)
USPS-FY09-NP18	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Nonpublic Portion)
USPS-FY09-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)
USPS-FY09-NP22	<ul style="list-style-type: none"> City Carrier Cost System (CCCS) Statistical and Computer

	Documentation (Source Code and Data on CD-ROM)
USPS-FY09-NP23	<ul style="list-style-type: none"> Rural Carrier Cost System (RCCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)
USPS-FY09-NP24	<ul style="list-style-type: none"> Transportation Cost Systems (TRACS) Statistical and Computer Documentation (Source Code and Data on CD Rom)

USPS-FY09-NP12

This item is entitled:

USPS-FY09-NP12 FY 2009 Nonpublic Cost Segments and Components Report (Hard copy & Excel)

USPS-FY09-NP12 is an output of the FY 2009 Cost and Revenue Analysis (CRA) Model that shows product attributable costs for 18 cost segments, including Postmasters, Supervisors, Clerks and Mail Handlers, In-Office City Carrier Activities, City Carrier and Rural Carrier Street Costs, and Purchased Transportation

In the Postal Service's FY 2008 Annual Compliance Report (ACR) filing (Docket No. ACR2008, December 29, 2008), this material was presented as USPS-FY08-NP12. The Commission, in its FY 2008 Annual Compliance Determination filing (Docket No. ACR2008, March 30, 2009), filed the equivalent material as part of PRC-ACR2008-NP-LR2. A public version of this document is provided as USPS-FY09-2, FY 2009 Public Cost Segments and Components Report.

The FY 2009 Non-Public Cost Segments and Components Report is provided both in hard copy and as an Excel workbook. It consists of a 35-page report that presents a summary of costs by mail category for all cost segment totals, followed by component-level detail within each segment. As it is not intended for public distribution, it includes detailed costs for Express Mail, Priority Mail, Parcel Select Mail, Parcel Return Service Mail, and Premium Forwarding Service.

A detailed explanation of the attribution of the Postal Retiree Health Benefit Payment is provided as a separate Word document entitled "Treatment of Retiree Health Benefits and CSRS Benefit Costs."

The following items found in this report are used as input/output to USPS-FY09-NP12:

Items in this Report Used as Input to USPS-FY09-NP12

Item Number	Data/Information Used
USPS-FY09-8	<ul style="list-style-type: none"> Equipment and Facility Related Costs
USPS-FY09-NP13	<ul style="list-style-type: none"> FY 2009 CRA Model (Model Files, Cost Matrices, and Reports)
USPS-FY09-NP14	<ul style="list-style-type: none"> FY 2009 CRA "B" Workpapers
USPS-FY09-NP18	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Nonpublic Portion)
USPS-FY09-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)
USPS-FY09-29	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Alternative FCM Workshare Estimates

Items in this Report Utilizing Output from USPS-FY09-NP12

Item Number	Data/Information Provided
USPS-FY09-NP4	<ul style="list-style-type: none"> FY 2009 ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)

USPS-FY09-NP13

This item is entitled:

USPS-FY09-NP13 FY 2009 CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version)

USPS-FY09-NP13 contains the Fiscal Year 2009 Cost and Revenue Analysis (CRA) Model along with associated cost matrices and reports. Files are provided in Excel format on CD-ROM.

In the Postal Service's FY 2008 Annual Compliance Report (ACR) filing (Docket No. ACR2008, December 29, 2008), this material was presented as USPS-FY08-NP13. The Commission, in its FY 2008 Annual Compliance Determination filing (Docket No. ACR2008, March 30, 2009), filed the equivalent cost matrices and reports as part of PRC-ACR2008-NP-LR2.

A public version of the FY 2009 CRA Model is filed as USPS-FY09-31. The public version excludes detailed cost data for Express Mail, Priority Mail, Parcel Select Mail, Parcel Return Service Mail, and Premium Forwarding Service.

The following items found in this report are used as input/output to USPS-FY09-NP13:

Items in this Report Used as Input to USPS-FY09-NP13

Item Number	Data/Information Used
USPS-FY09-8	<ul style="list-style-type: none"> Equipment and Facility Related Costs
USPS-FY09-28	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Special Services
USPS-FY09-30	<ul style="list-style-type: none"> FY 2009 Market Dominant NSA Materials
USPS-FY09-NP14	<ul style="list-style-type: none"> FY 2009 CRA “B” Workpapers
USPS-FY09-NP18	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Nonpublic Portion)
USPS-FY09-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)
USPS-FY09-NP26	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Special Services (Nonpublic Portion)
USPS-FY09-NP27	<ul style="list-style-type: none"> 2009 Competitive NSA Materials
USPS-FY09-NP29	<ul style="list-style-type: none"> Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Reallocated Trial Balances)

Items in this Report Utilizing Output from USPS-FY09-NP13

Item Number	Data/Information Provided
USPS-FY09-NP4	<ul style="list-style-type: none"> FY 2009 ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)

The contents of USPS-FY09-NP13 are organized in CD-ROM folders as follows:

1. CRA Model

USPS-FY09-NP13\Model\CRA.Model.xls	CRA run module
USPS-FY09-NP13\Model\CRA.DIM.xls	CRA data input module
USPS-FY09-NP13\Model\FY09.cntl.xls	CRA control tables and data source

2. Cost Files

USPS-FY09-NP13\Cost\FY09.I.xls	Input matrix
USPS-FY09-NP13\Cost\FY09.Mod1.xls	GDEI calculations and output matrix

USPS-FY09-NP13\Cost\FY09.A.xls	"A" calculations and output matrix
USPS-FY09-NP13\Cost\FY09.F.xls	"F" calculations and output matrix
USPS-FY09-NP13\Cost\FY09.B.xls	"B" calculations and output matrix

3. Reports

USPS-FY09-NP13\Reports\FY09.IRpt.xls	Input report
USPS-FY09-NP13\Reports\FY09.ARpt.xls	"A" report (without PESSA costs)
USPS-FY09-NP13\Reports\FY09.FRpt.xls	Factor report
USPS-FY09-NP13\Reports\FY09.BRpt.xls	"B" report (PESSA detail)
USPS-FY09-NP13\Reports\FY09.CRpt.xls	Cost segments and components report
USPS-FY09-NP13\Reports\FY09.DRpt.xls	Final adjustments

USPS-FY09-NP14

This item is entitled:

USPS-FY09-NP14 FY 2009 CRA "B" Workpapers, (Non-Public Version)

USPS-FY09-NP14, FY 2009 CRA "B" Workpapers, input and calculate costs by cost segment which are used by USPS FY 2009-NP13, CRA Model, to produce USPS-FY09-NP12, Cost Segments and Components Report. The workpapers produce some product attributable costs for 13 of the 20 cost segments, including Postmasters, Supervisors, Clerks and Mail Handlers, In-Office City Carrier Activities, City Carrier and Rural Carrier Street Costs, Purchased Transportation, etc. It contains electronic documentation of the spreadsheets and programs used to develop these costs.

The predecessor document is Docket No. ACR2008, USPS-FY08-NP14. From the same docket, also see PRC-ACR2008-LR2 FY2008 Costs (subdirectory "Segment WPs"). USPS-FY09-32 is the corresponding set of public documents.

The USPS-FY09-NP14 "B" Workpapers are thirteen separate Microsoft Office Excel workbooks, twelve of which present cost data by separate cost segments with many worksheets in each, and the other of which, I-forms.xls, exports data to those cost segment workbooks. Data sources are referenced in each spreadsheet. The following items found in this report are used as input/output to USPS-FY09-NP14:

Items in this Report Used as Input to USPS-FY09-NP14

Item Number	Data/Information Used
USPS-FY09-7	• Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-NP18	• Cost Segment 3 Cost Pools & Other Related Information (Nonpublic Portion)
USPS-FY09-NP21	• In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and

	Data on CD-ROM)
USPS-FY09-NP22	<ul style="list-style-type: none"> City Carrier Cost System (CCCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)
USPS-FY09-NP23	<ul style="list-style-type: none"> Rural Carrier Cost System (RCCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)
USPS-FY09-NP24	<ul style="list-style-type: none"> Transportation Cost Systems (TRACS) Statistical and Computer Documentation (Source Code and Data on CD Rom)

Items in this Report Utilizing Output from USPS-FY09-NP14

Item Number	Data/Information Provided
USPS-FY09-NP13	<ul style="list-style-type: none"> FY 2009 CRA Model (Model Files, Cost Matrices, and Reports)
USPS-FY09-NP27	<ul style="list-style-type: none"> 2009 Competitive NSA Materials

USPS-FY09-NP15

This item is entitled:

USPS-FY09-NP15 FY 2009 Special Cost Studies Workpapers – Parcel Select/Parcel Return Service (PRS) Mail Processing Cost Model

USPS-FY09-NP15 documents the mail processing cost estimates for the Parcel Post Parcel Select / Parcel Return Service (PRS) price categories.

Predecessor Documents are Docket No. R2006-1, USPS-LR-L-103; Docket No. ACR2007, USPS-FY07-15; and Docket No. RM2009-10, Proposal 14. There is no corresponding public document to USPS-FY09-NP15.

The Parcel Post Parcel Select cost model results are presented in the Microsoft Excel workbook ‘PARCEL POST PS-PRS MP.XLS’ in the spreadsheet tab entitled ‘Parcel Post Summary,’ page 1 USPS-FY09-NP15.

The following items found in this report are used as input/output to USPS-FY09-NP15:

Items in this Report Used as Input to USPS-FY09-NP15

Item Number	Data/Information Used
USPS-FY09-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-23	<ul style="list-style-type: none"> MODS Productivity Data

USPS-FY09-25	• FY 2009 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY09-NP1	• FY 2009 Competitive Product Billing Determinants
USPS-FY09-NP16	• FY 2009 Special Cost Studies Workpapers – Parcel Select/Parcel Return Service (PRS) Transportation Cost Model
USPS-FY09-NP18	• Cost Segment 3 Cost Pools & Other Related Information (Nonpublic Portion)
USPS-FY09-NP20	• FY 2009 Mail Processing Costs by Shape (Nonpublic Portion)

Items in this Report Utilizing Output from USPS-FY09-NP15

Item Number	Data/Information Provided
USPS-FY09-NP27	• 2009 Competitive NSA Materials

USPS-FY09-NP16

This item is entitled:

USPS-FY09-NP16 FY 2009 Special Cost Studies Workpapers – Parcel Select/Parcel Return Service (PRS) Transportation Cost Model

USPS-FY09-NP16 documents the transportation cost estimates for the Parcel Post Parcel Select / Parcel Return Service (PRS) price categories.

Predecessor documents are Docket No. R2006-1, USPS-LR-L-113; Docket No. ACR2007, USPS-FY07-16; and Docket No. RM2009-10, Proposal 14. There is no corresponding public document to USPS-FY09-NP16.

The Parcel Post Parcel Select / PRS transportation cost estimates are presented in the Microsoft Excel workbook ‘PARCEL POST PS-PRS TRANS.XLS’ in the spreadsheet ‘Cost-Sum’ on page 1 of USPS-FY09-NP16. Data sources are referenced in each spreadsheet throughout the workbook.

The following items found in this report are used as input/output to USPS-FY09-NP16:

Items in this Report Used as Input to USPS-FY09-NP16

Item Number	Data/Information Used
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USPS-FY09-24	• FY 2009 Non-Operation Specific Piggyback Factors (Public Portion)
USPS-FY09-NP1	• FY 2009 Competitive Product Billing Determinants
USPS-FY09-NP14	• FY 2009 CRA "B" Workpapers, (Non-Public Version)
USPS-FY09-NP17	• FY 2009 Special Cost Studies Workpapers - Parcel Post Regression Analysis (Nonpublic Portion)

Items in this Report Utilizing Output from USPS-FY09-NP16

Item Number	Data/Information Provided
USPS-FY09-NP27	• 2009 Competitive NSA Materials

USPS-FY09-NP17

This item is entitled:

USPS-FY09-NP17 FY 2009 Special Cost Studies Workpapers - Parcel Post Regression Analysis (Nonpublic Portion)

USPS-FY09-NP17 describes and documents the regression analysis used to estimate the cubic feet per piece for Parcel Select / Parcel Return Service (PRS) mail pieces.

The predecessors to this document are Docket No. ACR2007 USPS-FY07-17 and Docket No. RM2009-10, Proposal 14. There is no corresponding public document.

The input to this item is the Fiscal Year (FY) 2009 Parcel Post volume, cubic feet, and weight data. The output is the regression equation for Parcel Select / PRS Parcel Post. This equation is used to distribute the Parcel Post Parcel Select and PRS transportation costs in USPS-FY09-NP16.

The following items found in this report are used as input/output to USPS-FY09-NP17:

Items in this Report Utilizing Output from USPS-FY09-NP17

Item Number	Data/Information Provided
USPS-FY09-NP16	• FY 2009 Special Cost Studies Workpapers - Bound Printed Matter and Parcel Post Transportation

Costs / Bulk Parcel Return Service Cost Study (Nonpublic Portion)
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The FY 2009 dataset used in this item is contained in the Microsoft Excel workbook 'PP09DATAPSPRS.XLS.' The program used to estimate the regression equations is contained in the SAS software file 'PP09DATAPSPRS.SAS.'

USPS-FY09-NP18

This item is entitled:

USPS-FY09-NP18 Cost Segment 3 Cost Pools & Other Related Information (Nonpublic Portion)

USPS-FY09-NP18 documents the formation of C/S 3 cost pools, the development of mail processing accrued costs and volume-variable subclass costs by cost pool, and other related calculations that are inputs to the B Workpapers, the CRA model, the Special Cost Studies and the NSAs.

The predecessor document is USPS-FY08-NP18 in Docket No. ACR2008. USPS-FY09-NP18 is the non-public version of USPS-FY09-7.

The following items found in this report are used as input/output to USPS-FY09-NP18:

Items in this Report Used as Input to USPS-FY09-NP18

Item Number	Data/Information Used
USPS-FY09-23	<ul style="list-style-type: none"> MODS Productivity Data
USPS-FY09-NP2	<ul style="list-style-type: none"> FY 2009 International Cost and Revenue Analysis (ICRA) report (Hard Copy & Excel)
USPS-FY09-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)

Items in this Report Utilizing Output from USPS-FY09-NP18

Item Number	Data/Information Provided
USPS-FY09-2	<ul style="list-style-type: none"> FY 2009 Public Cost Segments and Components Report

USPS-FY09-8	<ul style="list-style-type: none"> Equipment and Facility Related Costs
USPS-FY09-10	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY09-11	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY09-12	<ul style="list-style-type: none"> Standard Mail Hybrid/Parcel Cost Study
USPS-FY09-13	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY09-15	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model/Media Mail – Library Mail Processing Cost Model
USPS-FY09-21	<ul style="list-style-type: none"> FY 2009 QBRM and BRM Costs
USPS-FY09-25	<ul style="list-style-type: none"> FY 2009 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY09-26	<ul style="list-style-type: none"> FY 2009 Mail Processing Costs by Shape (Public Portion)
USPS-FY09-28	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Special Services
USPS-FY09-31	<ul style="list-style-type: none"> FY 2009 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY09-32	<ul style="list-style-type: none"> FY 2009 CRA “B” Workpapers (Public Version)
USPS-FY09-NP10	<ul style="list-style-type: none"> FY 2009 Competitive Product Incremental and Group Specific Costs
USPS-FY09-NP13	<ul style="list-style-type: none"> FY 2009 CRA Model (Model Files, Cost Matrices, and Reports)
USPS-FY09-NP14	<ul style="list-style-type: none"> FY 2009 CRA “B” Workpapers
USPS-FY09-NP15	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Parcel Select/Parcel Return Service (PRS) Mail Processing Cost Model
USPS-FY09-NP20	<ul style="list-style-type: none"> FY 2009 Mail Processing Costs by Shape (Nonpublic Portion)
USPS-FY09-NP26	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Special Services (Nonpublic Portion)
USPS-FY09-NP27	<ul style="list-style-type: none"> 2009 Competitive NSA Materials

USPS-FY09-NP18 consists of:

- an Excel Workbook with eight Excel files, and

- a SAS Program documentation with txt files for SAS program codes, and rtf files for SAS logs and SAS output tables.

USPS-FY09-NP19

This item is entitled:

USPS-FY09-NP19 FY 2009 Non-Operation Specific Piggyback Factors
(Nonpublic Portion)

USPS-FY09-NP19 documents development of the piggyback factors for major functions (e.g., mail processing, window service, city delivery, rural delivery, vehicle service drivers, and postmasters) for each product for FY 2009. Piggyback factors are employed in cost studies to augment labor cost estimates for the major functions by adding the costs associated with supervisors and administration, service-wide benefits, along with facility-related and equipment-related costs. See the Microsoft Office Excel workbook FY09PBACkALL.xls.

The predecessor document is Docket No. R2006-1, USPS-LR-L-98, parts I and II and Docket No. ACR2008, USPS-FY08-24. The public document USPS-FY09-24 contains a portion of the information contained in USPS-FY09-NP19 relating to Market Dominant products.

The following items found in this report are used as input/output to USPS-FY09-NP19:

Items in this Report Used as Input to USPS-FY09-NP19

Item Number	Data/Information Used
USPS-FY09-NP13	<ul style="list-style-type: none"> • FY 2009 CRA Model (Model Files, Cost Matrices, and Reports)

Items in this Report Utilizing Output from USPS-FY09-NP19

Item Number	Data/Information Provided
USPS-FY09-20	<ul style="list-style-type: none"> • FY 2009 Window Service Cost by Shape
USPS-FY09-24	<ul style="list-style-type: none"> • FY 2009 Non-Operation Specific Piggyback Factors (Public Portion)
USPS-FY09-NP27	<ul style="list-style-type: none"> • 2009 Competitive NSA Materials

USPS-FY09-NP20

This item is entitled:

USPS-FY09-NP20 FY 2009 Mail Processing Costs by Shape (Nonpublic Portion)

USPS-FY09-NP20 provides Mail Processing Unit Costs by Shape for FY 2009 for Parcel Select and Parcel Return Services. These costs are provided by cost pool, and include piggyback or indirect costs.

Docket No. R2006-1, USPS-LR-L-99 and PRC-LR-9; and Docket No. ACR2007, USPS-FY07-26 are predecessors as far as methodology. USPS-FY09-26 is the corresponding public document, containing costs for Market Dominant First-Class, Periodicals, Standard and Package Services. See the Microsoft Office Excel workbook shp09prc.parcel select prs.xls.

The following items found in this report are used as input to USPS-FY08 –NP20:

Items in this Report Used as Input to USPS-FY09-NP20

Item Number	Data/Information Provided
USPS-FY09-NP18	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Nonpublic Portion)
USPS-FY09-NP19	<ul style="list-style-type: none"> FY 2009 Non-Operation Specific Piggyback Factors (Nonpublic Portion)
USPS-FY09-25	<ul style="list-style-type: none"> FY 2009 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY09-NP25	<ul style="list-style-type: none"> Mail Characteristics Study (Nonpublic Portion)

Items in this Report Utilizing Output from USPS-FY09-NP20

Item Number	Data/Information Provided
USPS-FY09-NP15	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers – Parcel Select/Parcel Return Service (PRS) Mail Processing Cost Model
USPS-FY09-NP27	<ul style="list-style-type: none"> 2009 Competitive NSA Materials

USPS-FY09-NP21

This item is entitled:

USPS-FY09-NP21 In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)

USPS-FY09-NP21 documents the In-Office Cost System, including statistical design for and estimation of in-office labor costs. This item also presents FY09 CVs and confidence intervals for the estimates.

Documentation of statistical design and estimation were provided previously in Docket No. R2006-1, USPS-LR-L-9 and ACR2008, FY08-NP21. The FY08 IOCS CVs were presented in Docket No. ACR2008, USPS-FY08-NP31. The corresponding public document is USPS-FY09-37, In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM).

The following items found in this report use the output from USPS-FY08 –NP21:

Items in this Report Utilizing Output from USPS-FY09-NP21

Item Number	Data/Information Provided
USPS-FY09-2	• FY 2009 Public Cost Segments and Components Report (
USPS-FY09-7	• Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-8	• Equipment and Facility Related Costs
USPS-FY09-19	• FY 2009 Delivery Costs By Shape
USPS-FY09-NP2	• FY 2009 International Cost and Revenue Analysis (ICRA) report (Hard Copy & Excel)
USPS-FY09-NP7	• Cost Segment 3 International Subclass Costs by Cost Pools (Volume Variable Cost Pools)

USPS-FY09-NP22

This item is entitled:

USPS-FY09-NP22 City Carrier Cost System (CCCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)

USPS-FY09-NP22 documents the statistical design of the City Carrier Cost System (CCCS) and City Carrier Cost System – Special Purpose Route (CCCS-SPR). It contains printed and electronic documentation of the statistical design and the programs used to develop volume estimates for classes, products, and price categories of mail collected and delivered on city letter routes and city special purpose routes. Also included are proportions, coefficients of variation (CVs), and confidence intervals for the estimates.

Predecessor documents are USPS-FY08-NP22, USPS-FY08-34, and Docket No. R2006-1, USPS-LR-L-11. A public version of this document is provided as USPS-FY09-34.

The following items found in this report use the output from USPS-FY09-NP22:

Items in this Report Utilizing Output from USPS-FY09-NP22

Item Number	Data/Information Provided
USPS-FY09-2	<ul style="list-style-type: none"> FY 2009 Public Cost Segments and Components Report
USPS-FY09-19	<ul style="list-style-type: none"> FY 2009 Delivery Costs By Shape
USPS-FY09-NP3	<ul style="list-style-type: none"> FY 2009 International Cost Segments and Components Report (Hard Copy & Excel)
USPS-FY09-NP12	<ul style="list-style-type: none"> FY 2009 Nonpublic Cost Segments and Components Report (Hard copy & Excel)

The relevant source code and outputs from the CCCS are provided on the accompanying CD-ROMs. The 'CCCS_ReadMe_FY09' and 'CCCS-SPR_ReadMe_FY09' files describe the contents of the CD-ROMs, which include Excel files containing proportions, coefficients of variation (CVs), and confidence intervals for both CCCS and CCCS-SPR estimates. Additionally, overviews of the statistical design and descriptions of the estimation processes are in the System Documentation sections.

USPS-FY09-NP23

This item is entitled:

USPS-FY09-NP23 Rural Carrier Cost System (RCCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)

USPS-FY09-NP23 documents the statistical design of the Rural Carrier Cost System (RCCS). It contains printed and electronic documentation of the statistical design and the programs used to develop volume estimates for classes, products, and price categories of mail collected and delivered on rural routes. Also included are proportions, coefficients of variation (CVs), and confidence intervals for the estimates.

Predecessor documents are USPS-FY08-NP23, USPS-FY08-35, and Docket No. R2006-1, USPS-LR-L-12. A public version of this document is provided as USPS-FY09-35.

The relevant source code and outputs from the RCCS are provided on the accompanying CD-ROM. The 'RCCS_ReadMe_FY09' file describes the contents of the CD-ROM, which includes an Excel file containing proportions, coefficients of variation (CVs), and confidence intervals for RCCS estimates. Additionally, an overview of the statistical design and descriptions of the estimation processes are described in the System Documentation section.

The following items found in this report use the output from USPS-FY09-NP23:

Items in this Report Utilizing Output from USPS-FY09-NP23

Item Number	Data/Information Provided
USPS-FY09-2	• FY 2009 Public Cost Segments and Components Report
USPS-FY09-19	• FY 2009 Delivery Costs By Shape
USPS-FY09-NP3	• FY 2009 International Cost Segments and Components Report (Hard Copy & Excel)
USPS-FY09-NP12	• FY 2009 Nonpublic Cost Segments and Components Report (Hard copy & Excel)

USPS-FY09-NP24

This item is entitled:

USPS-FY09-NP24 Transportation Cost Systems (TRACS)
Statistical and Computer Documentation (Source Code and Data on CD-ROM)

USPS-FY09-NP24 documents the development of the estimated distribution keys for purchased transportation costs. It contains documentation for the Transportation Cost Systems (TRACS) subsystems used to develop these costs. It also presents FY09 C.V.s (coefficients of variation) and confidence intervals for TRACS estimates.

The development of the TRACS estimated distribution keys material was presented in Docket No. ACR2008 USPS-FY08-NP24. The FY08 TRACS C.V.s material was presented, along with other cost system FY08 C.V.s, in Docket No. ACR2008 USPS-FY08-NP31. A public version of this document is provided as USPS-FY09-36 Transportation Cost System (TRACS).

The relevant source code and outputs from TRACS are provided on the accompanying CD-ROM. The 'README_TRACS' file describes the contents of the CD-ROM, which includes an Excel file containing the C.V.s (coefficients of variation) for TRACS.

The following items found in this report are used as input/output to USPS-FY09-NP24:

Items in this Report Utilizing Output from USPS-FY09-NP24

Item Number	Data/Information Provided
USPS-FY09-NP2	<ul style="list-style-type: none"> FY 2009 International Cost and Revenue Analysis (ICRA) report (Hard Copy & Excel)
USPS-FY09-32	<ul style="list-style-type: none"> FY 2009 CRA "B" Workpapers (Public Version)
USPS-FY09-NP14	<ul style="list-style-type: none"> FY 2009 CRA "B" Workpapers

USPS-FY09-NP25

This item is entitled:

USPS-FY09-NP25 Mail Characteristics Study (Nonpublic Portion)

USPS-FY09-NP25 is the nonpublic portion of USPS-FY09-14 and provides estimates of revenue, pieces, and weight (RPW) by shape and indicia for both Mailing Services and Shipping Services.

Predecessor documents are Docket No. ACR2008 USPS-FY08-14, Docket No ACR2007. USPS-FY07-14 and Docket No. R2006-1 USPS-LR-L-87. The corresponding public document is USPS-FY09-14.

This item relies upon the FY 2009 PostalOne! mailing statement database. The mail results of the RPW by shape and indicia are presented in the Microsoft Office Excel workbook "Shape Indicia FY 2009Vxls". The programs used to aggregate the PostalOne! data for Priority Mail and Package Services are described in the Program Documentation. Program documentation for other classes is contained in USPS-FY08-14.

Program documentation includes:

Preparation of Package Services RPW by Shape and Indicia.

- Program: **pack_shape_month.f** – Aggregates PostalOne! mailing statement data by VIP and shape.
- Input: PostalOne! mailing statement database.
- newvips.pack – Map of Package Services VIPS.
- Output: pshape.09.{month}.

Preparation of Priority Mail RPW by Shape and Indicia.

- Program: **pri_shape_month.f** – Aggregates PostalOne! mailing statement data by VIP and shape.
- Input: PostalOne! mailing statement database.
- newvips.PRN – Map of Priority VIPS.
- Output: pshape.09.{month}.

USPS-FY09-NP26

This item is entitled:

USPS-FY09-NP26 FY 2009 Special Cost Studies Workpapers – Special Services (Nonpublic Portion)

The purpose of this item is to document the cost estimates for Delivery Confirmation, Signature Confirmation services, and Change of Address Credit Card Authentication. The predecessor document is Docket No. ACR2008, USPS- FY08-NP26. The corresponding public document is USPS-FY09-28. Below is a brief description of each set of materials.

1. Delivery Confirmation

This cost study is contained in the EXCEL file DelCon-FY 2009.xls. It contains the cost models and cost sheets that are used to develop Delivery Confirmation unit cost estimates. A correction is made to re-establish the historical methodology for the distribution of costs of Delivery Confirmation to the base products, Priority Mail and Parcel Select. This cost adjustment is made in the D Report (USPS-FY09-NP13).

2. Signature Confirmation

This cost study is contained in the EXCEL file "SIGCon-FY 2009.xls." It contains the cost models and cost sheets that are used to develop Signature Confirmation unit cost estimates.

3. Change of Address Credit Card Authentication

This cost study is contained in the EXCEL file COACreditCard2009.xls. It contains the cost models and cost sheets that are used to develop Change of Address Credit Card Authentication costs. The cost of Address Credit Card Authentication is reported in the D report (USPS-FY09-NP13).

Generally, these cost studies use inputs from USPS-FY09-1, USPS-FY09-2, USPS-FY09-7, USPS-FY09-8, USPS-FY09-24, and USPS-FY09-25. The output of the cost studies is utilized in USPS-FY09-NP13.

Items in this Report Used as Input to USPS-FY09-NP26

Item Number	Data/Information Used
USPS-FY09-1	• FY 2009 Public Cost and Revenue Analysis (PCRA) Report
USPS-FY09-2	• FY 2009 Public Cost Segments and Components Report
USPS-FY09-7	• Cost Segment 3 Cost Pools & Other Related Information (Public Portion)
USPS-FY09-8	• Equipment and Facility Related Costs
USPS-FY09-24	• FY 2009 Non-Operation Specific Piggyback Factors (Public Portion)
USPS-FY09-25	• FY 2009 Mail Processing Piggyback Factors (Operation Specific)

Items in this Report Utilizing Output from USPS-FY09-NP26

Item Number	Data/Information Used
USPS-FY09-NP13	• FY 2009 CRA Model (Model Files, Cost Matrices, and Reports)

USPS-FY09-NP27

This item is entitled:

USPS-FY09-NP27 FY 2009 Competitive NSA Materials

This item develops costs in FY09 for competitive Negotiated Service Agreements (NSAs). Nonpublic information is also displayed for the sole Market Test in effect during FY09, and certain “nonpostal services” (or quasi-nonpostal services) that are deemed competitive.

There is no predecessor as there were no competitive NSAs active during FY08. USPS-FY09-30 contains FY 2009 Market Dominant NSA Material.

The following items found in this report are used as input/output to USPS-FY09-NP27:

Items in this Report Used as Input to USPS-FY09-NP27

Item Number	Data/Information Used
USPS-FY09-5	<ul style="list-style-type: none"> Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Reallocated Trial Balances)
USPS-FY09-NP1	<ul style="list-style-type: none"> FY 2009 Competitive Product Billing Determinants
USPS-FY09-NP12	<ul style="list-style-type: none"> FY 2009 Nonpublic Cost Segments and Components Report (Hard copy & Excel)
USPS-FY09-NP14	<ul style="list-style-type: none"> FY 2009 CRA "B" Workpapers, (Non-Public Version)
USPS-FY09-NP15	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Parcels Cost Models (Nonpublic Portion)
USPS-FY09-NP16	<ul style="list-style-type: none"> FY 2009 Special Cost Studies Workpapers - Bound Printed Matter and Parcel Post Transportation Costs / Bulk Parcel Return Service Cost Study (Nonpublic Portion)
USPS-FY09-NP18	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Nonpublic Portion)
USPS-FY09-NP19	<ul style="list-style-type: none"> FY 2009 Non-Operation Specific Piggyback Factors (Nonpublic Portion)
USPS-FY09-NP20	<ul style="list-style-type: none"> FY 2009 Mail Processing Costs by Shape (Nonpublic Portion)

Items in this Report Utilizing Output from USPS-FY09-NP27

Item Number	Data/Information Used
USPS-FY09-31	<ul style="list-style-type: none"> FY 2009 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY09-NP13	<ul style="list-style-type: none"> FY 2009 CRA Model (Model Files, Cost Matrices, and Reports)
USPS-FY09-NP28	<ul style="list-style-type: none"> Rule 3050.14 Alternative Format Report for Competitive Products

Workbooks are organized as follows. Each workbook references its data sources.

FY2009 NSA Cost and Revenue.xls – Overall summary

Partner cost analysis templates, with the naming convention:
[PartnerName]_[Product]_Analysis.xls

Support workbooks that summarize costs for each competitive product category:
SupportPriority_FY09.xls
SupportExpress_FY09.xls
SupportPSPRS_FY09.xls

Subfolders for each product category with detailed cost models:

Priority

Express

ParcelSelect/PRS

USPS-FY09-NP28

This item is entitled:

USPS-FY09-NP28 Rule 3050.14 Alternative Format Report for
Competitive Products

USPS-FY09-NP28 is presented in response to Commission Rule 3050.14. In addition to establishing the format for the Cost and Revenue Analysis Report (CRA) (“reflecting the classification structure in the Mail Classification Schedule”), that rule also called for “an alternative, more disaggregated format capable of reflecting the classification structure in effect prior to the adoption of the Postal Accountability and Enhancement Act.” The Appendix to the Order adopting Rule 3050.14 (Order No. 203, April 16, 2009) provided an illustration of the type of alternative format contemplated by the rule. This non-public item is limited to the alternative format materials for Competitive mail.

A corresponding public item is being filed as USPS-FY09-33, which contains the alternative format material for Market Dominant products. There is no direct predecessor to this material. On pages 10-11 of the text of the FY08 ACR (Dec. 29, 2008), a table of similar information was presented, but exclusively for the pre-PAEA categories of First-Class Mail.

None of the outputs of USPS-FY09-NP28 are specifically used as inputs to any other portions of the ACR, as the purpose of these materials is merely to comply with the rule requiring an alternative format presentation. The inputs used to compile the data displayed in USPS-FY09-NP28 come from a wide variety of sources, including the cost study models, RPW data, Billing Determinants, alternative runs of the CRA model, and the ICRA. Because postal data systems do not have the ability to gather data, particularly cost data, specifically for many of the categories in the Rule 3050.14 listing (for example, the Inter-BMC and Intra-BMC distinctions no longer exist in Parcel Post and Parcel Select), the methodologies used to attempt to populate this chart vary. Thus, the aggregation of cost data from underlying categories of mail from one report or estimation

methodology may not always match those developed via a different estimation technique. Ultimately, the costs, volumes and revenues available at the product level in the CRA are used as the defaults in USPS-FY09-NP28. The data at the more disaggregated levels, to the extent that it exists, may not sum to the CRA aggregate information at the product level.

USPS-FY09-NP28 consists of a Preface document (Word), and one Excel file, USPS.FY09.NP28.Alt.Format.Competitive.xls.

The following items found in this report are used as input to USPS-FY09-NP28:

Items in this Report Used as Input to USPS-FY09-NP28

Item Number	Data/Information Used
USPS-FY09-NP1	<ul style="list-style-type: none"> FY 2009 Competitive Product Billing Determinants
USPS-FY09-NP8	<ul style="list-style-type: none"> FY 2009 International Billing Determinants
USPS-FY09-NP11	<ul style="list-style-type: none"> FY 2009 Nonpublic Cost and Revenue Analysis (NPCRA) Report (Hard copy & Excel)
USPS-FY09-NP27	<ul style="list-style-type: none"> FY 2009 Competitive NSA Materials

USPS-FY09-NP29

This item is entitled:

USPS-FY09-NP29 Fiscal Year 2009 Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Non-Public Version)

The Fiscal Year 2009 Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Non-Public Version) is an Excel workbook that adjusts amounts reflected in the September 2009 general ledger for year-end audit adjustments. This results in amounts that underlie the September 30 year-end financial statements. This workbook also reallocates year-end labor contract and performance award accruals back to the appropriate labor sub-account and breaks out cost component expenses not available directly from a general ledger account but obtained from another source such as a unique finance number or a subsidiary reporting system.

This material was provided as USPS-FY08-5 for the FY 2008 Annual Compliance Report filing (Docket No. ACR2008, December 29, 2008). A public version of this document is provided as USPS-FY09-5, Fiscal Year 2009 Cost Segments and

Components Reconciliation to Financial Statements and Account Reallocations (Public Version).

USPS-FY09-NP29, the Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Non-Public Version), is provided as an Excel workbook on CD-ROM.

The following items found in this report are used as input/output to USPS-FY09-NP29:

Items in this Report Utilizing Output from USPS-FY09-NP29

Item Number	Data/Information Used
USPS-FY09-31	<ul style="list-style-type: none"> • FY 2009 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY09-NP13	<ul style="list-style-type: none"> • FY 2009 CRA Model (Model Files, Cost Matrices, and Reports)

SECTION TWO: METHODOLOGY CHANGES Public Materials

This section identifies the material changes in methodology reflected in the associated materials. In most instances, more detailed discussion can be found in the individual items references.

USPS-FY09-1 FY 2009 Public Cost and Revenue Analysis (PCRA) Report

The PCRA conforms to the Postal Regulatory Commission (PRC) methods for calculating attributable costs, which are revised annually. The Negotiated Service Agreement costs reported in the CRA, however, reflect a final adjustment made to the costs based on USPS-FY09-30, Market Dominant NSA Materials.

As done in Docket No. ACR2008, the development of CRA costs for Standard High Density and Saturation Letters and Standard High Density and Saturation Flats and Parcels incorporates the “D Report Final Adjustment” to accurately attribute CRA costs by product. “The “D” Report final adjustment accounts for High Density and Saturation Letters that, by DMM standards, fail to meet machinability and barcoding requirements and are consequently rated for postage as Flats.” (See ACD, page 64). High Density and Saturation Letters must meet presorting, machinability, addressing, barcoding, walk-sequencing, and other preparation requirements as specified in the Domestic Mail Manual. Letters failing to meet such machinability and barcoding requirements must be paid at flats rates and fall under the Standard High Density and Saturation Flats and Parcels category. DMM 243.6.4.1 and 243.6.5.1.

The costs shown in the Cost Segments and Components Report for Standard High Density and Saturation Letters are for all letter-shaped high density and saturation pieces. However as shown in USPS-FY09-14, in FY09 there were 5.549 billion such letter-shaped pieces, while Standard High Density and Saturation Letters includes only 5.085 billion of these pieces (or 91.65 percent).

The rest, 463 million letter-shaped pieces paid at flats rates, are part of Standard High Density and Saturation Flats and Parcels. FY09 RPW includes these 463 million letters paid at flats rates in Standard High Density and Saturation Flats and Parcels.

As a result the following adjustment was made. The volume variable costs reported for Standard High Density and Saturation Letters in the CRA were adjusted to reflect only 91.65 percent of the volume variable costs shown in the Cost Segments and Components Report for that product. The rest of the costs shown in the Cost Segments and Components Report for Standard High Density and Saturation Letters were, in the CRA, shifted to the Standard High Density and Saturation Flats and Parcels costs

USPS-FY09-2 FY 2009 Public Cost Segments And Components Report

The FY 2009 Public Cost Segments and Components Report conforms to the methodology most recently reflected in the Commission's FY 2008 Annual Compliance Determination except for updates and/or improvements approved under Docket RM2009-10, Order No. 339 (Nov. 13, 2009). Methodology changes pertaining to the FY 2009 CRA "B" Workpapers are documented in USPS-FY09-32.

USPS-FY09-3 FY 2009 Discounts and Passthroughs of Workshare Items

The cost methodologies used are described in the individual input attachments. Discounts are developed by taking the differences between the current prices of the workshared pieces and benchmark pieces as shown on USPS Notice 123—Price List, effective July 19, 2009. Passthroughs are calculated for each discount as the ratio of the discount to the avoided cost.

USPS-FY09-4 FY Market Dominant Billing Determinants

The methodologies used to produce the FY 2009 Billing Determinants follow the methodologies used in the FY 2008 and earlier versions of the billing determinants. Modifications were made to the structure of the billing determinants as necessary to reflect changes to postal product classifications that were implemented during the fiscal year.

USPS-FY09-5 Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Reallocated Trial Balances)

A lump sum of \$197 million for early-out incentive payments was moved from Cost Segment 3 to Cost Segment 18, component 1430 (Miscellaneous Personnel Compensation). Otherwise, no substantive changes were made to cost segments or components or to the structure of the workbook in FY 2009.

USPS-FY09-6 General Classification of Accounts

The contents of USPS-FY09-6 were downloaded from the Postal Service's mainframe computer on December 1, 2009. Therefore, it reflects account

information as of that date. Account numbers and account descriptions can change on a monthly basis.

USPS-FY09-7 Cost Segment 3 Cost Pools and Other Related Information

USPS-FY09-7 uses the same methodology as described in the preface to USPS-FY08-7, but it incorporates the following:

1. An input data change from USPS-FY09-NP21 where Parcel Select that is Undeliverable As Addressed (UAA) is now coded as single-piece Parcel Post, to bring IOCS coding in line with the Mail Classification Schedule (Order No. 339, Proposal Three, November 13, 2009).
2. An update/correction to the MODS cost pools where MODS operations #320 and #325 are transferred from the MODS Manual Parcel Piece Distribution cost pool (MANP) to the MODS Manual Priority Piece Distribution cost pool (PRIORITY) to properly reflect the priority-specific title descriptions of these two operations.
3. A postal reassignment of an ISC finance number to an existing BMC finance number, resulting in the deletion of that ISC finance number and the transfer of some operations from the ISC cost pool to the BMC cost pools.

USPS-FY09-8 Equipment and Facility Related Costs

USPS-FY09-8 uses the same methodology as USPS-FY08-8 from Docket No ACR FY2008. While there are no methodology changes, please note the following:

First, as reported in fy09equip.xls, the initial depreciation and maintenance expenses for Flat Sequencing System (FSS) have been included with the AFSM 100 category. As this deployment progresses, a new equipment category or cost pool will likely be sought. Second, as reported in FCILTY09.xls, the 167,980 sq.ft. of space previously moved to ISC from BMC categories in FY2005 (for the New Jersey International & BMC) is returned to BMC categories, consistent with the treatment of labor costs. In addition, the additional CRA row for Caller Service is supported in FCILTY09.xls with the calculation of the share of facility space for Caller Service.

USPS-FY09-9 ACR Roadmap Document

This year's Roadmap document includes a section III, which contains information responsive to Commission Rule 3050.12 on data obsolescence. Otherwise, this item presents the same types of information and uses the same methodologies as reflected in last year in ACR 2008, USPS-FY08-9.

USPS-FY09-10 FY 2009 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)

This item utilizes the PRC methodology from PRC-R2009-2-LR-1 FCM Letter costs 2008.xls (April 23, 2009 revision) and PRC-R2009-2-LR-3 – PRC-FY08 STD Reg letter costs.xls.

This includes a “hybrid” cost methodology that used both Cost and Revenue Analysis (CRA) mail processing unit costs and model-based mail processing unit costs to estimate the worksharing-related savings. Due to the operational and mail classification changes, automation carrier route letters is a category that no longer exists. Subsequently, “Auto CR cost” and “Auto CR Mode” tabs and related references were removed from the First Class letter model.

USPS-FY09-11 FY 2009 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model

USPS-FY09-11 uses the Docket No. ACR2008 cost methodology.

USPS-FY09-12 Standard Mail Non Flat Machinable (NFM) and Parcel Mail Processing Unit Cost Estimates

USPS-FY09-12 relies on the Postal Regulatory Commission (PRC) cost methodology from Docket No. R2006-1.

USPS-FY09-13 Standard Mail and Periodicals Destination Entry Cost Avoidance Estimates

USPS-FY09-13 relies on the Postal Regulatory Commission (PRC) cost methodology from Docket No. R2006-1, and subsequent cost model modifications initially described in USPS-FY08-13 and formally presented in Docket No. RM2009-10, Proposal 13. These modifications were implemented in order to de-average the analysis into destination entry cost avoidance estimates by shape. The Commission approved these modifications in Order No. 339.

USPS-FY09-14 Mail Characteristics Study (Public Portion)

The methodology in the preceding sections is not changed from Docket No. ACR2008, The “Coverage Factor Updating” section describes the methodology used to update coverage factor parameters for the flats mail processing models

USPS-FY09-15 FY 2009 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model/Media Mail – Library Mail Processing Cost Model

USPS-FY09-15 relies on the Postal Regulatory Commission (PRC) cost methodology from Docket No. R2006-1 and includes the modifications described in USPS-FY08-15.

USPS-FY09-16 FY 2009 Special Cost Studies Workpapers - Bound Printed Matter Transportation Costs / Bulk Parcel Return Service Cost Study

USPS-FY09-16 relies on the Postal Regulatory Commission (PRC) cost methodology from Docket No. R2006-1 and includes the modifications described in USPS-FY08-16.

USPS-FY09-17 2009 Comprehensive Statement of Postal Operations

The Postal Service has filed the annual Comprehensive Statement since 1976 in accordance with 39 U.S.C. 2401(e), which prescribes its contents.

USPS-FY09-18 FY08 ECR Mail Processing Unit Costs

This analysis uses the same basic methodology as described in Docket No. R2006-1, USPS-LR-L-107. The methodology for the calculation of Standard ECR unit costs is the same as used in Docket No. ACR2008, PRC-ACR2008-LR7 (FY2008 Mail Processing and Delivery Costs), spreadsheet ECRMPUnit2008.xls.

USPS-FY09-19 FY 2009 Delivery Costs By Shape

This In FY09, city-street and rural costs associated with Carrier Route Detached Address Labels (DALs) are transferred to flats using the established methodology that is used for ECR High Density and Saturation DALs in the “B” Workpapers (Order 339, Proposal Five, November 13, 2009). Since Carrier Route is a product in the CRA, separate delivery costs are derived for Carrier Route letters, flats, and parcels.

One additional change is made in the assignment of in-office costs for “HD/Sat DAL No Parent.” The previous methodology assigned these costs to Saturation Flats. The implementation of Proposal Five includes transferring the city-street and rural costs for High Density DALs from letters to flats. Therefore, the in-office costs for “HD/Sat DAL No Parent” are split between High Density and Saturation Flats in proportion to their DAL costs.

Aside from the implementation of Proposal Five, USPS-FY09-19 utilizes the established methodology from PRC-ACR2008-LR7.

USPS-FY09-20 FY 2009 Window Service Cost by Shape

This item uses the same methodology as described in Docket No. R2006-1, USPS-LR-L-106. This methodology was also used in Docket No. ACR2007, USPS-FY07-20 and Docket No. ACR2008, USPS-FY08-20.

USPS-FY09-21 FY 2009 QBRM and BRM Costs

The methodology for the cost study presented in USPS-FY08-21 is unchanged from the models presented in Docket Nos. R2001-1, R2005-1, R2006-1, ACR2007 and ACR2008. The cost avoidance underlying the discount is still defined as the difference between mail processing costs of a prebarcoded First-Class Mail reply mail piece compared to those of a handwritten First-Class Mail reply mail piece. This time, the cost estimates for the various Business Reply Mail fees are also included in the workbook. The model has been updated to include FY 2009 equipment changes, FY 2009 finalization factors, piggyback factors, volume variability factors, and wage rates.

USPS-FY09-22 FY 2009 Bound Printed Matter Mail Processing Costs

This item uses the same methodology as described in Docket No. R2006-1, USPS-LR-L-109. This methodology was also used in Docket No. ACR2007, USPS-FY07-22 and Docket No. ACR2008, USPS-FY08-22.

USPS-FY09-23 MODS Productivity Data

The MODS-based productivities for plant and BMC operations employ the methodology from Docket No. R2006-1, USPS-LR-L-56, Part III. Productivities for REC operations are based on images and console hours from the WebROADS system, adjusted for "overhead" workhours included in the MODS workhour total.

USPS-FY09-24 FY 2009 Non-Operation Specific Piggyback Factors (Public Portion)

USPS-FY09-24 uses the PRC cost methodology from Docket No. R2006-1, as described in the testimony of witness Marc Smith, USPS-T-13 and also Docket No. ACR2007, USPS-FY07-24.

USPS-FY09-25 FY 2009 Mail Processing Piggyback Factors (Operation Specific)

USPS-FY09-25 uses the same methodology as USPS-FY08-25 from Docket No. ACR2008. This is the PRC cost methodology from Docket No. R2006-1, as described in the testimony of witness Marc Smith, USPS-T-13.

USPS-FY09-26 FY 2009 Mail Processing Costs by Shape (Public Portion)

USPS-FY09-26 uses the same methodology as USPS-FY08-26 from Docket No. ACR2008.

USPS-FY09-27 FY 2009 Nonprofit Mail Cost Approximations

The billing determinants for Nonprofit Standard Mail from USPS-FY09-4 for the full fiscal year 2009 were used as the source of the file display and the revenue and volume data. The estimated unit costs by product, shape, and rate category from USPS-FY09-30, "NSA unit cost detail data calculation.xls" were used as the source of the estimated unit costs. As necessary, those unit costs were adjusted to accommodate the destination entry cost avoidances from USPS-FY09-13. As the average costs for the categories of Standard Mail do not represent the transportation and nontransportation costs of "nondropship" mail, but rather, the weighted average of dropship and nondropship mail, the unit costs for nondropship mail are increased whereas the costs for dropshipped mail are decreased relative to the national average costs.

The FY09 CRA includes separate costs for Standard Mail Regular Not Flat-Machinables and Parcels and High Density and Saturation Flats and Parcels, providing more disaggregated data for the calculation of parcel and NFM unit costs than was previously available from the NSA Unit Cost Detail Data Calculation file. Thus, in the tab "Disaggregated Parcel Costs" in StandardNonprofit2009.xls, the row "Standard Regular" has been deleted. In

USPS-FY08-27, the average unit costs for such Cost Segments as Window Costs, Vehicle Service Drivers and Transportation were obtained from the “Standard Regular” row and used for both the NFM and Parcel unit costs although the Standard Regular unit costs were applicable to Letters and Flats as well as NFMs and Parcels. Now that the CRA provides separate costs for Standard Regular Not Flat-Machinables and Parcels, instead of reference to the total Standard Regular unit costs, the unit costs for both Parcels and NFMs for Mail Processing, Window Costs, Vehicle Service Driver and Transportation are obtained by multiplying the costs for NFMs and Parcels from tab “CRASummary” in the FY 09 NSA Unit Cost Detail Data Calculation.xls file by the appropriate piggyback factor from the tab “Piggys” in the same workbook, then dividing by the appropriate volumes from “RPW” in the same workbook. The Delivery costs for Parcels and NFMs in Standard Regular were provided separately and were from tab “Delivery” in the same workbook. The “Other Costs” were obtained by volume-weighting the unit costs already determined, summing and subtracting from the CRASummary total unit cost for NFMs and Parcels. Total Costs for each were the sums of the unit costs, including the “Other Costs”.

For parcels and NFMs in the category formerly known as ECR, the Mail Processing costs were derived from USPS-FY09-18, FY09 ECR Unit Costs.xls, tab “Table 1”. Window Costs, Vehicle Service Driver Costs, and Transportation Costs were obtained from FY 09 NSA Unit Cost Detail Data Calculation.xls, tab “CRASummary” multiplied by the appropriate piggyback in tab “Piggys” and divided by the appropriate volume in tab “RPW”. Carrier Route Basic had separate costs from High Density and Saturation, but the costs for High Density and Saturation could not be separated out for these categories. The Delivery costs for Carrier Route Basic, High Density and Saturation were provided separately and were from tab “Delivery” in the same workbook. The “Other Costs” were obtained by volume-weighting the unit costs already determined, summing and subtracting from the CRASummary total unit costs for Carrier Route Basic, and High Density and Saturation Flats and Parcels. Total Costs for each were the sums of the unit costs, including the “Other Costs”.

The unit costs were applied to the appropriate Nonprofit volumes to approximate the total costs. In order to ensure that the costs would add up by category, in some instances in which the volumes were zero, in order to prevent the spreadsheet from displaying “#DIV/0!” and thus preventing the summation of costs, formulae related to zero-volume categories were overridden and manually set to zero costs. The total costs, revenues and contribution by product are summarized.

USPS-FY09-28 FY 2009 Special Cost Studies Workpapers – Special Services

This item relies on the Postal Regulatory Commission (PRC) cost methodology from USPS-FY08-28. A correction is made to re-establish the historical methodology for the distribution of costs of Delivery Confirmation so that the

costs are properly distributed to the base products, Priority Mail and Parcel Select. The distribution of costs of Delivery Confirmation, the costs of Change of Address Credit Card Authentication, Confirm, and Address List Services are reported in the D report (USPS-FY09-31 and USPS-FY09-NP13).

USPS-FY09-29 FY 2009 Special Cost Studies Workpapers – Alternative FCM Workshare Estimates

This analysis includes a “hybrid” cost methodology that used both Cost and Revenue Analysis (CRA) mail processing unit costs and model-based mail processing unit costs to estimate the worksharing related savings.

The Postal Regulatory Commission (PRC) did not provide a First-Class Mail cost pool classification methodology under the de-linking scenario in the Annual Compliance Determination for FY2008. However, the Commission provided in PRC-R2009-2-LR-3 – PRC-FY08 STD Reg letter costs.xls Standard Mail a methodology where the distinction between worksharing-related fixed and nonworksharing-related fixed cost pools (no longer necessary in a de-linking scenario) was eliminated. Absent any guidance from the Commission, the Commission-approved cost pool classification methodology contained in PRC-R2009-2-LR-3 – PRC-FY08 STD Reg letter costs.xls for Standard Mail was used in this workbook for First-Class Mail.

USPS-FY09-30 FY 2009 Market Dominant NSA Materials

For purposes of the ACR report, and consistent with the Postal Accountability and Enhancement Act, the NSA Documentation for FY 2009 conforms to the Postal Regulatory Commission (PRC) methods, which are different from the Postal Service’s methods.

The NSA Documentation calculates the cost associated with each NSA based on implicit unit cost data from the unit cost model (NSA Unit Cost Detail Data Calculations.xls). A proposal (Docket No. RM2010-4, Proposal 24) was submitted to modify the unit cost model provided in ACR 2008. The proposed version of the model does not materially change the calculations but does simplify the model to facilitate updating the model and tracking the calculations

For volume-growth NSAs (Bookspan, Bradford Group, and Lifeline Services), the implicit unit cost for each rate category is multiplied by the volume in that rate category. The resulting costs by rate category are summed for each NSA. Subtracting this total cost from the total revenue associated with each NSA results in the total contribution for the NSA, which is then divided by the total volume to yield average contribution per piece. This figure is then multiplied by the volume above the threshold to calculate the incremental contribution from the NSA. Finally, the rebate paid is subtracted from the incremental contribution to calculate the net value of the NSA to the Postal Service. In addition, the Panzar/Wolak test is applied to each NSA. Using the actual volume, the incremental discount, and the subclass average own-price elasticity, the

hypothetical volume in the absence of the discount is calculated. As above, the net value to the Postal Service is calculated as the incremental contribution on the difference between the actual and the hypothetical volumes less the discounts paid to the mailer.

For the Bank of America NSA, costs by rate category are calculated in the same way as for the volume-growth NSAs. However, estimated cost differences for this NSA are calculated using the Commission's methodology from MC2007-1.

USPS-FY09-31 FY 2009 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)

The CRA model documented in USPS-FY09-31 uses the same cost methodology and structure as that filed in Docket No. ACR2008, with the following modifications:

1. In CRA.DIM.xls, four new mail classes were created for "stand-alone" special services that previously were combined with other CRA product categories. These four are Address List Services (61), Caller Service (62), Change-of-Address Credit Card Authentication (63), and Confirm Service (64). Caller Service is input to the model from the spreadsheets by rate and is printed in all reports, while the others are derived through special studies and included as D Report adjustments. Post Office Boxes is now a stand-alone category, without Caller Service included.
2. In CRA.DIM.xls, six new mail classes were created for Negotiated Service Agreement (NSA) categories for use in performing D Report adjustments. These included First-Class NSAs (13), Standard Mail NSAs (28), Express Mail NSAs (152), Priority Mail NSAs (157), Parcel Select NSAs (162) and Parcel Return Service NSAs (167).
3. A new component 579 (Carrier Letter Route Key) was added to C/S 98.3 of the Comp Master tab in FY09.cntl.xls. It is uploaded by rate from the CRA spreadsheets and is used to distribute C/S 12 components 83 (City Delivery Activity - Personnel) and 92 (City Delivery Activity - Supplies and Materials) in the "A" module.
4. In the Comp Master tab of FY09.cntl.xls, the "A" module DK or Source Component was changed from 46 to 579 for C/S 12 components 83 and 92.
5. In FY09.cntl.xls, new C/S CS 15 component 235 (Product-specific Utilities) was created to contain potential product-specific costs from

component 167 (Utilities). However, this component was not utilized in FY 2009.

6. In the DK Addends tab of FY09.cntl.xls, C/S 17 component 190 (Research and Development) was marked as an addend to component 493 (Total Product Specific).
7. In FY09.cntl.xls, C/S 18 components 64, 56, and 19 (FERS Retirement Deficit Current for A, B, and C reports, respectively) were eliminated, as there have been no costs in these components since FY 1993.
8. Component 956 (PO Boxes/Caller Service), formerly consisting of a factor distributing 100% to PO Boxes, now has a small percentage for Caller Service and the remainder for PO Boxes. Factors are manually input by rate.
9. Via changes to the Comp Master and DK Addends tabs of FY09.cntl.xls, component 997 (Carrier Scanners) is now calculated in the model instead of being entered by rate. It is created by summing 11 components, including all C/S 6, 7, and 10 labor components plus new component 577 (IMD Partial Key).
10. A new component 577 (IMD Partial Key) was added to C/S 98.3 of the Comp Master tab in FY09.cntl.xls. It is manually entered by rate and printed in the I Report. Component 577 was also added to the DK Addends tab, where it is marked as an addend to component 997 (Carrier Scanners).
11. In the Comp Master and D Report tabs of FY09.cntl.xls, a new component 515 (Special Services Adjustments) was added for entry of multiple D Report final adjustments for Special Services. The adjustments are entered into I.xls in dollar amounts by rate and are subsequently summed into the existing calculation component 1509 along with NSA final adjustments from component 508.
12. As in FY08, there was a D Report adjustment moving some Standard High Density and Saturation letter costs to flats in mail processing and delivery. There were also D Report adjustments to Address List Services, Change-of-Address Credit Card Authentication, Confirm Service, Other Ancillary Services, Priority Mail, Parcel Select, and the NSA classes cited in item 2 above.
13. In the Comp Master tab of FY09.cntl.xls, the titles of components 1055 and 1155 were corrected from "Self Center Postal Centers" to Self Service Postal Centers."

14. Due to the expanded number of mail classes, a new option was added to CRA.Model.xls to allow both portrait and landscape printing. Portrait mode uses fewer pages.

USPS-FY09-32 FY 2009 CRA “B” Workpapers (Public Version)

For purposes of this ACR report, and consistent with the Postal Accountability and Enhancement Act, the “B” Workpapers for FY 2009 conform to the Postal Regulatory Commission (PRC) methods, which are different from the Postal Services methods. The USPS-FY09-32, “B” Workpapers, include the following methodological changes from FY 2008. In the 2008 ACR, these changes were also included as part of USPS-FY08-2.

Cost Segment 3

The revenue and costs associated with Caller Service was separated from the revenue and costs of Post Office Box.

Assign Cost Segment 3 Costs associated with Forwarded or Returned Undeliverable As Addressed (UAA) Parcel Select pieces to Single Piece Parcel Post (Order No. 339, Proposal Three, November 13, 2009).

Cost Segment 6

Assign Cost Segment 6 Costs associated with Forwarded or Returned Undeliverable As Addressed (UAA) Parcel Select pieces to Single Piece Parcel Post (Order No. 339, Proposal Three, November 13, 2009).

Reclassify Cost Segment 6 Costs associated with loading and unloading the vehicle (activity code 6422) from In-Office Direct Labor (6.1) to In-Office Support Overhead (6.2) (Order No. 339, Proposal Seven, November 13, 2009). The expenses in 6.2 vary to the same extent as city carrier delivery costs, city carrier network costs, and city carrier in-office direct costs.

Cost Segment 7

Cost Segment 7 attributable costs assigned to ECR High Density and Saturation Detached Address Labels (DALs) are shifted from High Density and Saturation Letters to High Density and Saturation Flats and Parcels in the “B” Workpapers, using the same methodology that was used in PRC-ACR2008-LR7 (Order No. 339, Proposal Five, November 13, 2009).

Cost Segment 7 attributes street delivery costs to Insured pieces by a two step process: 1) use RPW to determine the proportion of pieces delivered on city routes that should be treated as accountables (pieces whose value is in excess of \$200 require a customer signature) and 2) compute a scan cost for the Insured pieces that do not require a signature and subtract the total scan related costs

from accrued costs and treat them as 100 percent volume variable (Order No. 339, Proposal Six, November 13, 2009).

Replace Special Purpose Route (SPR) distribution factors computed in Docket R97-1 with updated factors from a new subsystem of the City Carrier Cost System – CCCS-SPR. The factors used for the four cost pools: 1) LOAD SPR – NON ACCT DELIVERY; 2) LOAD ACCT SPR DELIVERY; 3) TIME AT STOP SPR DELIVERIES; and 4) ADJ SPR DELIVERIES ACCESS will use the results from the new ongoing subsystem CCCS-SPR.

Cost Segment 10

Cost Segment 10 attributable costs assigned to ECR High Density and Saturation Detached Address Labels (DALs) are shifted from High Density and Saturation Letters to High Density and Saturation Flats and Parcels in the “B” Workpapers, using the same methodology that was used in PRC-ACR2008-LR7 (Order No. 339, Proposal Five, November 13, 2009).

Update the distribution key for Accountables to include only those Insured pieces that require a customer signature, using the same process as described above for Cost Segment 7. The remaining Insured pieces are included in the Non-Signature Scan Items distribution key discussed below. (Order No. 339, Proposal Six, November 13, 2009).

DPS and Sector Segment Distribution. The separate RCCS distribution factors used to distribute the attributable costs associated with rural DPS Letters and Sector Segment Letters is replaced with a single distribution factor based on the sum of DPS and Sector Segment letters (Order No. 339, Proposal Ten, November 13, 2009)

The 2009 Rural Mail Count (RMC) introduced five new mail count elements: 1) Carrier Pickup Request and Carrier Pickup Items; 2) Delivery Point Sequencing (DPS) Flats; 3) Scanner Setup/Retrieval/Return; 4) Postal Automated Redirection System (PARS) yellow labels and 5) Non-Signature Scan Items. Cost Segment 10 treated these in the following manner (Order No. 339, Proposal Nine, November 13, 2009).

Cost Pools

1) Carrier Pickup Request and Carrier Pickup Items. First, the evaluated time of both mail count elements is treated as volume variable. Second, the costs are combined into one cost pool. Lastly, the costs are distributed to products using the new RCCS distribution key for carrier pickup pieces.

2) Delivery Point Sequencing Flats (FSS): Due to the small number of RCCS tests that had FSS Flats, this cost pool was not separately identified in cost

segment 10 in FY09. However, it will be a separate cost pool in cost segment 10 in FY2010.

3) Scanner Setup/Retrieval/Return. The evaluated time for retrieving, setting-up, and returning the scanner is treated as fixed with respect to changes in volume.

4) PARS yellow labels. The evaluated time for handling PARS yellow labels is treated as fixed with respect to changes in volume.

5) Non-Signature Scan Items. First, the evaluated time for scans for all Non-Signature Scan Items is volume variable and is included in the variability of Cost Segment 10. Second, the costs are distributed to products (Other Ancillary Services and Insured) based on annual RCCS distribution factors. The 2009 Rural Mail count did not take effect until PQ3 2009, but in an effort to use a consistent costing methodology which complies with Order No. 339 for the entire year, the Non-Signature Scan Item cost pool is estimated for PQ1-2 using the same average volume of weekly pieces from the 2009 RMC. The costs are distributed to products within this cost pool based on annual RCCS distribution factors. Utilizing the new methodology for the entire year also has the benefit of correcting a weakness of the previous established methodology which allocated the same amount of scan time to 'Evaluated Routes' and 'Other Routes' despite the fact that 'Other Routes' represent less than ten percent of cost segment 10 costs.

Cost Segment 12

Use city letter route costs to compute the variability and distribution of vehicle service costs that are related to city letter routes (Order No. 339, Proposal Four, November 13, 2009)

USPS-FY09-33 Rule 3050.14 Alternative Format Report for Market Dominant Products

To the extent that cost, volume and revenue figures are available for inclusion in the alternative format, the methodologies used in developing these figures are generally the same methodologies used in developing the cost, volume, and revenue figures presented in the FY09 CRA and other portions of the FY09 ACR where similar figures (and in many instances, identical figures) are presented for mail categories reflecting the MCS classification structure.

USPS-FY09-34 City Carrier Cost System (CCCS) Statistical and Computer Documentation (Public Version) (Source Code and Data on CD-ROM)

Documentation for the CCCS provided in USPS-LR-L-11, Docket No. R2006-1, included complete programs and descriptions for sample frame development and sample selection. Those programs and descriptions have incurred no substantive changes and are not reproduced herein. The estimation programs

and output formats have incurred no substantive changes and are described in the CCCS System Documentation section.

Documentation for the CCCS-SPR provided in RM2009-10 (Proposal Eight) included programs and descriptions for sample frame development, sample selection, estimation programs, and output formats. There have been no substantive changes and are included in the CCCS-SPR System Documentation section.

USPS-FY09-35 Rural Carrier Cost System (RCCS) Statistical and Computer Documentation (Public Version) (Source Code and Data on CD-ROM)

Sector segment letters are no longer isolated and recorded as a separate compensation category, but are included with DPS volumes (See PRC Order No. 339 dated November 13, 2009 approving RM2009-10 Proposal Ten). Additionally, RCCS now provides a new distribution key for Carrier Pickup items (See PRC Order No. 339 dated November 13, 2009 approving RM2009-10 Proposal Nine). There have been no other substantive changes in the methodology used to develop RCCS volume estimates.

USPS-FY09-36 Transportation Cost Systems (TRACS) Statistical and Computer Documentation (Public Version) (Source Code and Data on CD-ROM)

The methodology is generally the same as in Docket No. ACR2008: USPS-FY08-NP24 except for the updates and/or improvements discussed in the following paragraphs.

In FY09, the TRACS Highway and Rail subsystems updated density factors for the purpose of distributing certain Cost Segment 14 transportation costs, and Cost Segment 8 Vehicle Service Driver costs to products. A field data collection effort was initiated in 2009 to update the density factors from a previous 2001 study. To the extent possible, the same methodology was used as the field data collection effort employed to develop the 2001 set of density factors. The result of the update was relatively minor changes in the density factors. The surface density factors are listed in Appendix D. The proposal and acceptance of the updated density factors is documented in Docket No. RM2010-1 Proposal Twenty and Order No. 311.

Beginning October 1, 2008, a redesigned sampling system was implemented for Federal Express Day Turn, Federal Express Night Turn, and United Parcel Service air modes in the TRACS Air subsystem. This is the same sampling design as implemented for the TRACS Commercial Air mode on April 1, 2008. The scheduled sample size did not change. The data elements collected did not change. The sampling frame is a recent historical extract of its assigned weight (lbs.) obtained from the Postal Service's Enterprise Data Warehouse (EDW).The

redesign is an improvement in the general sampling process, and specifically, an improvement in the process of selecting the actual sample units. The redesign reduces non-sampling errors and improves sampling efficiency.

USPS-FY09-37 In-Office Cost System (IOCS) Statistical and Computer Documentation (Public Version) (Source Code and Data on CD-ROM)

The methodology used to produce the IOCS data is the same as described in ACR 2008, with the following changes. Parcel Select that is Undeliverable As Addressed (UAA) is now coded as single-piece Parcel Post, to bring IOCS coding in line with the Mail Classification Schedule (Order No. 339, Proposal Three, November 13, 2009). Carriers loading/unloading a vehicle receive a new activity code (6422) to enable reclassification of these costs (Order No. 339, Proposal Seven, November 13, 2009)

The IOCS sampling design was modified to improve sampling efficiency. The sampling rate was decreased for carrier readings in read period 3 when carriers are almost always on the street. There were offsetting increases for other sampling strata. Sampling rates were increased for CAGs C and D. The sampling panels for CAGs G, H and J were rotated and the number of offices included in these panels was increased. There was no net change in the overall sampling rate.

USPS-FY09-38 USPS Market Dominant Product Customer Satisfaction Measurement (CSM) Survey Instruments

No changes.

USPS-FY09-39 Alternative Format for First-Class Mail Billing Determinants

These materials draw up cost and revenue data reported throughout the Postal Service's FY09 ACR, and therefore are implicitly based on the methodologies upon which the ACR is based. For purposes of specifically developing the PRC Forms, the procedures employed track those previously endorsed by the Commission.

USPS-FY09-40 Rural Mail Count Data and Analysis (RMC) Statistical and Computer Documentation (Source Code and Data on CD-ROM)

Documentation for the RMC provided in USPS-LR-L-70, Docket No. R2006-1, included the RMC data, SAS program listings, and descriptions of all variables. Those programs and variable descriptions have incurred only changes due to the addition of new evaluation items to the RMC. The new RMC evaluation items and their usage in the "B" workpapers is available in Docket No. RM2009-10 (Proposal Nine).

SECTION TWO: METHODOLOGY CHANGES
Non-Public Annex

USPS-FY09-NP1 FY 2009 Domestic Competitive Product Billing Determinants

The methodologies used to produce these FY 2009 Domestic Competitive Billing Determinants follow the methodologies used in the FY 2008 and earlier versions of the billing determinants. Modifications were made to the structure of the billing determinants as necessary to reflect changes to postal product classifications that were implemented during the fiscal year.

USPS-FY09-NP2 FY 2009 International Cost and Revenue Analysis (ICRA) Report (Hard Copy and Excel).

This item uses the PRC cost methodology from Docket No. R2006-1 case, with any modifications defined in USPS-FY09-NP13. Additionally, the FY09 hardcopy format reflects the Market Dominant and Competitive product distinctions, although the FY07 format is available in the OldFormat.xls file in the Excel model.

USPS-FY07-NP3 FY 2009 International Cost Segments and Components Report (Hard Copy and Excel)

This item uses the PRC cost methodology from Docket No. R2006-1 case, with any modifications defined in USPS-FY09-NP13.

USPS-FY07-NP4 FY 2007 ICRA Domestic Processing Model (Cost matrices, Reports, Control File, & Changes)

This item uses the PRC cost methodology from Docket No. R2006-1 case, with any modifications defined in USPS-FY09-NP13.

USPS-FY09-NP5 FY 2009 ICRA Overview/Technical Description

This item uses the PRC cost methodology from Docket No. R2006-1 case, with any modifications defined in USPS-FY09-NP13.

USPS-FY09-NP6 FY 2009 International Cost Segment Workpapers

This item uses the PRC cost methodology from Docket No. R2006-1 case, with any modifications defined in USPS-FY09-NP13.

USPS-FY09-NP7 FY 2009 Cost Segment 3 International subclass costs by cost pools (Volume Variable Cost Pools)

This item USPS-FY09-NP7 uses the same methodology as described in the preface to USPS-FY08-NP7, but it incorporates the following:

1. An input data change from USPS-FY09-NP21 where Parcel Select that is Undeliverable As Addressed (UAA) is now coded as single-piece Parcel Post, to bring IOCS coding in line with the Mail Classification Schedule (Order No. 339, Proposal Three, November 13, 2009).
2. An update/correction to the MODS cost pools where MODS operations #320 and #325 are transferred from the MODS Manual Parcel Piece Distribution cost pool (MANP) to the MODS Manual Priority Piece Distribution cost pool (PRIORITY) to properly reflect the priority-specific title descriptions of these two operations.
3. A postal reassignment of an ISC finance number to an existing BMC finance number, resulting in the deletion of that ISC finance number and the transfer of some operations from the ISC cost pool to the BMC cost pools.

USPS-FY09-NP8 FY 2009 International Billing Determinants

The methodology used to assemble these billing determinants is generally consistent with that used in the past. Billing determinants show the revenue, pieces and weight for each rate cell with a mail product. Country level numbers within rate cell are provided where 'control' information is available such as MIDAS/GBS Dispatch or International Accounting Branch (IAB) pieces and weight. The data uses the same sources that underlie the Fiscal Year 2009 ICRA Report.

USPS-FY09-NP9 FY 2009 Miscellaneous International Data

This item uses the PRC cost methodology from Docket No. R2006-1 case, with any modifications defined in USPS-FY09-NP13.

USPS-FY09-NP10 FY 2009 Competitive Product Incremental and Group Specific Costs

The methodology to determine incremental costs (or its proxy Hybrid Incremental Costs) is discussed in pending Proposal 22. The calculation of incremental costs, including any group specific costs is based on the methodology presented by witness Bradley and implemented by witness Kay in Docket No. R2000-1.

USPS-FY09-NP11 2008 Non-Public Cost and Revenue Analysis (NPCRA)

The NPCRA conforms to the Postal Regulatory Commission (PRC) methods for calculating attributable costs, which are revised annually.

As done in Docket No. ACR2008, the development of CRA costs for Standard High Density and Saturation Letters and Standard High Density and Saturation Flats and Parcels incorporates the “D Report Final Adjustment” to accurately attribute CRA costs by product. “The “D” Report final adjustment accounts for High Density and Saturation Letters that, by DMM standards, fail to meet machinability and barcoding requirements and are consequently rated for postage as Flats.” (See ACD, page 64). High Density and Saturation Letters must meet presorting, machinability, addressing, barcoding, walk-sequencing, and other preparation requirements as specified in the Domestic Mail Manual. Letters failing to meet such machinability and barcoding requirements must be paid at flats rates and fall under the Standard High Density and Saturation Flats and Parcels category. DMM 243.6.4.1 and 243.6.5.1.

The costs shown in the Cost Segments and Components Report for Standard High Density and Saturation Letters are for all letter-shaped high density and saturation pieces. However as shown in USPS-FY09-14, in FY09 there were 5.549 billion such letter-shaped pieces, while Standard High Density and Saturation Letters includes only 5.085 billion of these pieces (or 91.65 percent). The rest, 463 million letter-shaped pieces paid at flats rates, are part of Standard High Density and Saturation Flats and Parcels. FY09 RPW includes these 463 million letters paid at flats rates in Standard High Density and Saturation Flats and Parcels.

As a result the following adjustment was made. The volume variable costs reported for Standard High Density and Saturation Letters in the CRA were adjusted to reflect only 91.65 percent of the volume variable costs shown in the Cost Segments and Components Report for that product. The rest of the costs shown in the Cost Segments and Components Report for Standard High Density and Saturation Letters were, in the CRA, shifted to the Standard High Density and Saturation Flats and Parcels costs

USPS-FY09-NP12 FY 2009 Nonpublic Cost Segments and Components Report (Hard copy & Excel)

The FY 2009 Non-Public Cost Segments and Components Report conforms to the methodology most recently reflected in the Commission’s FY 2008 Annual Compliance Determination except for updates and/or improvements approved under Docket RM2009-10, Order No. 339 (Nov. 13, 2009). Methodology changes pertaining to the FY 2009 CRA “B” Workpapers are documented in USPS-FY09-NP14.

USPS-FY09-NP13 FY 2009 CRA Model (Model Files, Cost Matrices, and Reports)

The CRA model documented in USPS-FY09-NP13 uses the same cost methodology and structure as that filed in Docket No. ACR2008, with the following modifications:

1. In CRA.DIM.xls, four new mail classes were created for “stand-alone” special services that previously were combined with other CRA product categories. These four are Address List Services (61), Caller Service (62), Change-of-Address Credit Card Authentication (63), and Confirm Service (64). Caller Service is input to the model from the spreadsheets by rate and is printed in all reports, while the others are derived through special studies and included as D Report adjustments. Post Office Boxes is now a stand-alone category, without Caller Service included.
2. In CRA.DIM.xls, six new mail classes were created for Negotiated Service Agreement (NSA) categories for use in performing D Report adjustments. These included First-Class NSAs (13), Standard Mail NSAs (28), Express Mail NSAs (152), Priority Mail NSAs (157), Parcel Select NSAs (162) and Parcel Return Service NSAs (167).
3. A new component 579 (Carrier Letter Route Key) was added to C/S 98.3 of the Comp Master tab in FY09.cntl.xls. It is uploaded by rate from the CRA spreadsheets and is used to distribute C/S 12 components 83 (City Delivery Activity - Personnel) and 92 (City Delivery Activity - Supplies and Materials) in the "A" module.
4. In the Comp Master tab of FY09.cntl.xls, the "A" module DK or Source Component was changed from 46 to 579 for C/S 12 components 83 and 92.
5. In FY09.cntl.xls, new C/S CS 15 component 235 (Product-specific Utilities) was created to contain potential product-specific costs from component 167 (Utilities). However, this component was not utilized in FY 2009.
6. In the DK Addends tab of FY09.cntl.xls, C/S 17 component 190 (Research and Development) was marked as an addend to component 493 (Total Product Specific).
7. In FY09.cntl.xls, C/S 18 components 64, 56, and 19 (FERS Retirement Deficit Current for A, B, and C reports, respectively) were eliminated, as there have been no costs in these components since FY 1993.
8. Component 956 (PO Boxes/Caller Service), formerly consisting of a factor distributing 100% to PO Boxes, now has a small percentage for Caller Service and the remainder for PO Boxes. Factors are manually input by rate.

9. Via changes to the Comp Master and DK Addends tabs of FY09.cntl.xls, component 997 (Carrier Scanners) is now calculated in the model instead of being entered by rate. It is created by summing 11 components, including all C/S 6, 7, and 10 labor components plus new component 577 (IMD Partial Key).
10. A new component 577 (IMD Partial Key) was added to C/S 98.3 of the Comp Master tab in FY09.cntl.xls. It is manually entered by rate and printed in the I Report. Component 577 was also added to the DK Addends tab, where it is marked as an addend to component 997 (Carrier Scanners).
11. In the Comp Master and D Report tabs of FY09.cntl.xls, a new component 515 (Special Services Adjustments) was added for entry of multiple D Report final adjustments for Special Services. The adjustments are entered into I.xls in dollar amounts by rate and are subsequently summed into the existing calculation component 1509 along with NSA final adjustments from component 508.
12. As in FY08, there was a D Report adjustment moving some Standard High Density and Saturation letter costs to flats in mail processing and delivery. There were also D Report adjustments to Address List Services, Change-of-Address Credit Card Authentication, Confirm Service, Other Ancillary Services, Priority Mail, Parcel Select, and the NSA classes cited in item 2 above.
13. In the Comp Master tab of FY09.cntl.xls, the titles of components 1055 and 1155 were corrected from "Self Center Postal Centers" to Self Service Postal Centers."
14. Due to the expanded number of mail classes, a new option was added to CRA.Model.xls to allow both portrait and landscape printing. Portrait mode uses fewer pages.

USPS-FY09-NP14 FY 2009 CRA "B" Workpapers

For purposes of this ACR report, and consistent with the Postal Accountability and Enhancement Act, the "B" Workpapers for FY 2009 conform to the Postal Regulatory Commission (PRC) methods, which are different from the Postal Services methods. The USPS-FY09-NP14, "B" Workpapers, include the following methodological changes from FY 2008.

Cost Segment 3

The revenue and costs associated with Caller Service was separated from the revenue and costs of Post Office Box.

The costs for domestic and international money orders now share the same volume-variability of 64.76 percent rather than international money orders having the same variability as international mail.

Assign Cost Segment 3 Costs associated with Forwarded or Returned Undeliverable As Addressed (UAA) Parcel Select pieces to Single Piece Parcel Post (Order No. 339, Proposal Three, November 13, 2009).

Cost Segment 6

Assign Cost Segment 6 Costs associated with Forwarded or Returned Undeliverable As Addressed (UAA) Parcel Select pieces to Single Piece Parcel Post (Order No. 339, Proposal Three, November 13, 2009).

Reclassify Cost Segment 6 Costs associated with loading and unloading the vehicle (activity code 6422) from In-Office Direct Labor (6.1) to In-Office Support Overhead (6.2) (Order No. 339, Proposal Seven, November 13, 2009). The expenses in 6.2 vary to the same extent as city carrier delivery costs, city carrier network costs, and city carrier in-office direct costs.

Cost Segment 7

Cost Segment 7 attributable costs assigned to ECR High Density and Saturation Detached Address Labels (DALs) are shifted from High Density and Saturation Letters to High Density and Saturation Flats and Parcels in the "B" Workpapers, using the same methodology that was used in PRC-ACR2008-LR7 (Order No. 339, Proposal Five, November 13, 2009).

Cost Segment 7 attributes street delivery costs to Insured pieces by a two step process: 1) use RPW to determine the proportion of pieces delivered on city routes that should be treated as accountables (pieces whose value is in excess of \$200 require a customer signature) and 2) compute a scan cost for the Insured pieces that do not require a signature and subtract the total scan related costs from accrued costs and treat them as 100 percent volume variable (Order No. 339, Proposal Six, November 13, 2009).

Replace Special Purpose Route (SPR) distribution factors computed in Docket R97-1 with updated factors from a new subsystem of the City Carrier Cost System – CCCS-SPR. The factors used for the four cost pools: 1) LOAD SPR – NON ACCT DELIVERY; 2) LOAD ACCT SPR DELIVERY; 3) TIME AT STOP SPR DELIVERIES; and 4) ADJ SPR DELIVERIES ACCESS will use the results from the new ongoing subsystem CCCS-SPR.

Cost Segment 10

Cost Segment 10 attributable costs assigned to ECR High Density and Saturation Detached Address Labels (DALs) are shifted from High Density and Saturation Letters to High Density and Saturation Flats and Parcels in the “B” Workpapers, using the same methodology that was used in PRC-ACR2008-LR7 (Order No. 339, Proposal Five, November 13, 2009).

Update the distribution key for Accountables to include only those Insured pieces that require a customer signature, using the same process as described above for Cost Segment 7. The remaining Insured pieces are included in the Non-Signature Scan Items distribution key discussed below. (Order No. 339, Proposal Six, November 13, 2009).

DPS and Sector Segment Distribution. The separate RCCS distribution factors used to distribute the attributable costs associated with rural DPS Letters and Sector Segment Letters is replaced with a single distribution factor based on the sum of DPS and Sector Segment letters (Order No. 339, Proposal Ten, November 13, 2009)

The 2009 Rural Mail Count (RMC) introduced five new mail count elements: 1) Carrier Pickup Request and Carrier Pickup Items; 2) Delivery Point Sequencing (DPS) Flats; 3) Scanner Setup/Retrieval/Return; 4) Postal Automated Redirection System (PARS) yellow labels and 5) Non-Signature Scan Items. Cost Segment 10 treated these in the following manner (Order No. 339, Proposal Nine, November 13, 2009).

Cost Pools

1) Carrier Pickup Request and Carrier Pickup Items. First, the evaluated time of both mail count elements is treated as volume variable. Second, the costs are combined into one cost pool. Lastly, the costs are distributed to products using the new RCCS distribution key for carrier pickup pieces.

2) Delivery Point Sequencing Flats (FSS): Due to the small number of RCCS tests that had FSS Flats, this cost pool was not separately identified in cost segment 10 in FY09. However, it will be a separate cost pool in cost segment 10 in FY2010.

3) Scanner Setup/Retrieval/Return. The evaluated time for retrieving, setting-up, and returning the scanner is treated as fixed with respect to changes in volume.

4) PARS yellow labels. The evaluated time for handling PARS yellow labels is treated as fixed with respect to changes in volume.

5) Non-Signature Scan Items. First, the evaluated time for scans for all Non-Signature Scan Items is volume variable and is included in the variability of Cost Segment 10. Second, the costs are distributed to products (Other Ancillary

Services and Insured) based on annual RCCS distribution factors. The 2009 Rural Mail count did not take effect until PQ3 2009, but in an effort to use a consistent costing methodology which complies with Order 339 for the entire year the Non-Signature Scan Item cost pool is estimated for PQ1-2 using the same average volume of weekly pieces from the 2009 RMC. The costs are distributed to products within this cost pool based on annual RCCS distribution factors. Utilizing the new methodology for the entire year also has the benefit of correcting a weakness of the previous established methodology which allocated the same amount of scan time to 'Evaluated Routes' and 'Other Routes' despite the fact that 'Other Routes' represent less than ten percent of cost segment 10 costs.

Cost Segment 12

Use city letter route costs to compute the variability and distribution of vehicle service costs that are related to city letter routes (Order 339, Proposal Four, November 13, 2009)

USPS-FY09-NP15 FY 2009 Special Cost Studies Workpapers – Parcel Select/Parcel Return Service (PRS) Mail Processing Cost Model

USPS-FY09-NP15 relies on the Postal Regulatory Commission (PRC) cost methodology from Docket No. R2006-1, and subsequent cost model modifications described and formally presented in Docket No. RM2009-10, Proposal 14. The Commission approved these modifications in Order No. 339.

During FY 2009, the Inter-BMC and Intra-BMC price categories were merged into a "Nonpresort" category. The FY 2009 billing determinants, upon which the mail processing cost model relies, therefore contains volume data for the Inter-BMC and Intra-BMC price categories (quarters 1 – 3), as well as the Nonpresort (quarter 4) price category.

In order to accommodate the current version of the mail processing cost model, the quarter 4 Nonpresort volume data must be reapportioned to the Inter-BMC and Intra-BMC categories. The quarter 4 Nonpresort volumes for zones 6 through 8 were assigned to the Inter-BMC volume distribution table in the billing determinants. The quarter 4 Nonpresort volumes for zones 1 through 5 were assigned to the Inter-BMC and Intra-BMC tables based on the percentages of the total Inter-BMC and Intra-BMC volume for zones 1 through 5 represented by each price category. In addition, the OBMC Presort and BMC Presort volumes were also assigned to the Inter-BMC volume distribution table.

USPS-FY09-NP16 FY 2009 Special Cost Studies Workpapers – Parcel Select/Parcel Return Service (PRS) Transportation Cost Model

USPS-FY09-NP16 relies on the Postal Regulatory Commission (PRC) cost methodology from Docket No. R2006-1, and subsequent cost model

modifications described and formally presented in Docket No. RM2009-10, Proposal 14. The Commission approved these modifications in Order No. 339.

During FY 2009, the Inter-BMC and Intra-BMC price categories were merged into a "Nonpresort" category. The FY 2009 billing determinants, upon which the transportation cost model relies, therefore contains volume data for the Inter-BMC and Intra-BMC price categories (quarters 1 – 3), as well as the Nonpresort (quarter 4) price category.

In order to accommodate the current version of the transportation cost model, the quarter 4 Nonpresort volume data must be reapportioned to the Inter-BMC and Intra-BMC categories. The quarter 4 Nonpresort volumes for zones 6 through 8 were assigned to the Inter-BMC volume distribution table in the billing determinants. The quarter 4 Nonpresort volumes for zones 1 through 5 were assigned to the Inter-BMC and Intra-BMC tables based on the percentages of the total Inter-BMC and Intra-BMC volume for zones 1 through 5 represented by each price category. In addition, the OBMC Presort and BMC Presort volumes were also assigned to the Inter-BMC volume distribution table.

The change to the price structure also affects the availability of cubic foot miles data. These data are no longer separately available for the Inter-BMC and Intra-BMC categories. Cubic foot miles data are used to distribute zone related costs for Inter-BMC and are not used to distribute any Intra-BMC costs. Given that Inter-BMC represents over 95 percent of the combined Inter-BMC and Intra-BMC volume, the combined Inter-BMC and Intra-BMC cubic foot miles data are relied upon to distribute the Inter-BMC zone-related costs.

USPS-FY09-NP17 FY 2009 Special Cost Studies Workpapers - Parcel Post Regression Analysis (Nonpublic Portion)

In Docket No. ACR2007, separate econometric equations were developed to estimate this relationship for three categories of Parcel Post: Inter-Bulk Mail Center (BMC), Intra-BMC, and Parcel Select / PRS. The latter category represented an aggregate of the Destination Bulk Mail Center (DBMC), Destination Sectional Center Facility (DSCF), Destination Delivery Unit (DDU), Return Bulk Mail Center (RBMC), and Return Delivery Unit (RDU) price categories.

The dependent and independent variables in those equations were expressed in natural logarithm (log) form. The dependent variable was the natural log of the average cubic feet per piece. The two independent variables were the natural log of the weight increment in pounds and the squared value of the natural log of the weight increment in pounds.

In this analysis, a regression equation is calculated using the same model specification, but the calculation is only performed for the Parcel Select / PRS category of Parcel Post. This methodology is identical to that presented by the

Postal Service in Docket No. RM2009-10, Proposal 14, and subsequently approved by the Commission in Order 339.

USPS-FY09-NP18 Cost Segment 3 Cost Pools & Other Related Information (Nonpublic Portion)

USPS-FY09-NP18 uses the same methodology as described in the preface to USPS-FY08-NP18, but it incorporates the following:

1. An input data change from USPS-FY09-NP21 where Parcel Select that is Undeliverable As Addressed (UAA) is now coded as single-piece Parcel Post, to bring IOCS coding in line with the Mail Classification Schedule (Order No. 339, Proposal Three, November 13, 2009).
2. An update/correction to the MODS cost pools where MODS operations #320 and #325 are transferred from the MODS Manual Parcel Piece Distribution cost pool (MANP) to the MODS Manual Priority Piece Distribution cost pool (PRIORITY) to properly reflect the priority-specific title descriptions of these two operations.

A postal reassignment of an ISC finance number to an existing BMC finance number, resulting in the deletion of that ISC finance number and the transfer of some operations from the ISC cost pool to the BMC cost pools

USPS-FY09-NP19 FY 2009 Non-Operation Specific Piggyback Factors (Nonpublic Portion)

USPS-FY09-NP19 uses the PRC cost methodology from Docket No. R2006-1, as described in the testimony of witness Marc Smith, USPS-T-13 and also Docket No. ACR2008, USPS-FY08-NP19.

USPS-FY09-NP20 FY 2009 FY 2009 Mail Processing Costs by Shape (Nonpublic Portion)

USPS-FY09-NP20 uses the same methodology as USPS-FY07-26 from Docket No ACR2007. Also note that USPS-FY07-26 used the PRC cost methodology from Docket No. R2006-1, as contained in PRC-LR-9.

USPS-FY09-NP21 In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)

The methodology used to produce the IOCS data is the same as described in ACR 2008, with the following changes. Parcel Select that is Undeliverable As Addressed (UAA) is now coded as single-piece Parcel Post, to bring IOCS coding in line with the Mail Classification Schedule (Order No. 339, Proposal Three, November 13, 2009). Carriers loading/unloading a vehicle receive a new activity code (6422) to enable reclassification of these costs (Order No. 339, Proposal Seven, November 13, 2009)

The IOCS sampling design was modified to improve sampling efficiency. The sampling rate was decreased for carrier readings in read period 3 when carriers are almost always on the street. There were offsetting increases for other sampling strata. Sampling rates were increased for CAGs C and D. The sampling panels for CAGs G, H and J were rotated and the number of offices included in these panels was increased. There was no net change in the overall sampling rate.

USPS-FY09-NP22 City Carrier Cost System (CCCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)

Documentation for the CCCS provided in USPS-LR-L-11, Docket No. R2006-1, included complete programs and descriptions for sample frame development and sample selection. Those programs and descriptions have incurred no substantive changes and are not reproduced herein. The estimation programs and output formats have incurred no substantive changes and are described in the CCCS System Documentation section.

Documentation for the CCCS-SPR provided in RM2009-10 (Proposal Eight) included programs and descriptions for sample frame development, sample selection, estimation programs, and output formats. There have been no substantive changes.

USPS-FY09-NP23 Rural Carrier Cost System (RCCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)

Sector segment letters are no longer isolated and recorded as a separate compensation category, but are included with DPS volumes (See PRC Order No. 339 dated November 13, 2009 approving RM2009-10 Proposal Ten). Additionally, RCCS now provides a new distribution key for Carrier Pickup items (See PRC Order No. 339 dated November 13, 2009 approving RM2009-10 Proposal Nine). There have been no other substantive changes in the methodology used to develop RCCS volume estimates.

USPS-FY09-NP24 Transportation Cost Systems (TRACS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)

The methodology is generally the same as in Docket No. ACR2008: USPS-FY08-NP24 except for the updates and/or improvements discussed in the following paragraphs.

In FY09, the TRACS Highway and Rail subsystems updated density factors for the purpose of distributing certain Cost Segment 14 transportation costs, and Cost Segment 8 Vehicle Service Driver costs to products. A field data collection effort was initiated in 2009 to update the density factors from a previous 2001 study. To the extent possible, the same methodology was used as the field data

collection effort employed to develop the 2001 set of density factors. The result of the update was relatively minor changes in the density factors. The surface density factors are listed in Appendix D. The proposal and acceptance of the updated density factors is documented in Docket No. RM2010-1 Proposal Twenty and Order No. 311.

In FY09, TRACS computes different distribution factors to distribute domestic transportation costs to Inbound Surface Parcel Post from Canada and separately for the rest of the world (ROW). Historically, as reported in the ICRA, a single distribution factor resulted in Inbound Surface Parcel Post from Canada having the same unit domestic transportation costs as ROW. Data collected during FY2008 revealed that Inbound Surface Parcel Post from Canada weighed “substantially less” on average in terms of pounds per piece than Inbound Surface Parcel Post from the ROW. Moreover, domestic transportation differs from Canada and the ROW based on point of entry. Canada-origin Inbound Surface Parcel Post enters the U.S. through Seattle, Chicago, or New Jersey, while ROW enters the U.S. only through New Jersey. Since the cost characteristics are so distinct, the use of TRACS data to provide different distribution factors provides a more accurate distribution of domestic transportation costs between Inbound Surface Parcel Post from Canada and the ROW. The proposal and acceptance of using TRACS for the cost distribution between Inbound Surface Parcel Post from Canada and the ROW is documented in Docket No. RM2009-10 Proposal Eighteen and Order No. 339.

Beginning October 1, 2008, a redesigned sampling system was implemented for Federal Express Day Turn, Federal Express Night Turn, and United Parcel Service air modes in the TRACS Air subsystem. This is the same sampling design as implemented for the TRACS Commercial Air mode on April 1, 2008. The scheduled sample size did not change. The data elements collected did not change. The sampling frame is a recent historical extract of its assigned weight (lbs.) obtained from the Postal Service’s Enterprise Data Warehouse (EDW). The redesign is an improvement in the general sampling process, and specifically, an improvement in the process of selecting the actual sample units. The redesign reduces non-sampling errors and improves sampling efficiency.

USPS-FY09-NP25 Mail Characteristics Study (Nonpublic Portion)

This item uses the estimation methodologies used in USPS-FY08-14 with updated input data.

USPS-FY09-NP26 FY 2009 Special Cost Studies Workpapers – Special Services (Nonpublic Portion)

USPS-FY09-NP26 relies on the Postal Regulatory Commission (PRC) cost methodology from USPS-FY08-NP26. A correction is made to re-establish the historical methodology for the distribution of costs of Delivery Confirmation so that the costs are properly distributed to the base products, Priority Mail and Parcel Select. The distribution of costs of Delivery Confirmation, the costs of

Signature Confirmation and Change of Address Credit Card Authentication are reported in the D report (USPS-FY09-NP13).

USPS-FY09-NP27 FY 2009 Competitive NSA Materials

The methodologies used to produce the costs for Negotiated Service Agreements (NSAs) are the same as those used when the NSAs were originally filed in the mail classification dockets. Costs are updated using FY09 cost and billing determinants data. Where partner-specific mailing profiles for FY09 are not available, the partner-specific revenue per piece is used to adjust partner costs .

USPS-FY09-NP28 Rule 3050.14 Alternative Format Report for Competitive Products

To the extent that cost, volume and revenue figures are available for inclusion in the alternative format, the methodologies used in developing these figures are generally the same methodologies used in developing the cost, volume, and revenue figures presented in the FY09 CRA and other portions of the FY09 ACR where similar figures (and in many instances, identical figures) are presented for mail categories reflecting the MCS classification structure.

USPS-FY09-NP29 Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Reallocated Trial Balances)

A lump sum of \$197 million for early-out incentive payments was moved from Cost Segment 3 to Cost Segment 18, component 1430 (Miscellaneous Personnel Compensation). Otherwise, no substantive changes were made to cost segments or components or to the structure of the workbook in FY 2009.

Section Three: Material on Commission Rule 3050.12

In Order No. 203, issued April 16, 2009, the Commission introduced new rules regarding special studies. Section 3050.12, Obsolescence of special studies relied on to produce the Postal Service's annual periodic reports to the Commission, required the Postal Service to: "provide a list of special studies whose results are used to produce the estimates in its annual periodic reports to the Commission. It shall indicate the date the study was completed and whether the study reflects current operating conditions and procedures. The Postal Service shall update the list annually."

As this Annual Compliance Report is the first time the Postal Service has had to comply with §3050.12, and as there has not yet been a rulemaking or other mechanism for determining the definition of and listing of the "special studies" to which this rule applies, the Postal Service submits that it is characterizing "special studies" as those analyses that cannot be updated routinely by reference to information contained in ongoing data systems. Analyses that rely solely on information collected and maintained on an ongoing basis in such systems as IOCS, TRACS, CCCS, RCCS, MODS, WebEOR, PostalOne! and other postal databases can be routinely updated and will never be considered "obsolete". Therefore, such analyses are not being considered "special studies" for purposes of complying with §3050.12. Any studies relying on material developed from the ongoing data systems will necessarily contain documentation that provides the time period for which the data was collected.

For some studies, the data collection was a point in time and all data contained in the study was of the same vintage. For those studies, the "date the study was completed" is relatively easy to ascertain. For other special studies that rely on a variety of inputs from a variety of sources, the "date the study was completed" is not as obvious. Therefore, for each special study of that nature, a short litigative history is provided, describing the dockets in which significant changes to the model were introduced.

With regard to the requirement that the Postal Service indicate "whether the study reflects current operating conditions and procedures", the Postal Service interprets that requirement to mean that the processes represented were those in place during the fiscal year for which the study results are presented. As with regard to the "date the study was completed", there are two types of special studies. One type is those studies for which the data collection took place at one point in time, and the other type is those studies comprising a model of postal processes and using inputs from various sources, some from ongoing data systems and some from data collections at a point in time. The question for the first type is whether the information collected at that point in time adequately reflects the processes in place during the fiscal year for which the Annual Compliance Report was prepared, and the question for the second type of study is whether the processes as modeled represent adequately the processes in

place during the fiscal year, and also whether the inputs used to populate the models are of recent enough vintage to reasonably be considered to represent the processes in place during the fiscal year for which the Annual Compliance Report was prepared.

§ 3050.12

In accordance with Commission reporting rule 3050.12, the Postal Service is providing the following list of special studies whose results are used to produce the estimates in its annual periodic reports.

Postmaster Variability Study

The Postmaster Variability Study was completed in 1984. It provides a variability for determining Postmaster attributable costs at post offices at level EAS-23 and below. It is used in the 2009 ACR. The duties of Postmasters have remained fairly stable at these smaller post offices since the time of the study, making the variability produced in this study likely to be applicable to current operational conditions in 2009. The study used an operational data set of Work Service Credits for postmasters to estimate the rate at which postmaster costs vary with volume changes. Because postmasters' hours at large post offices are unrelated to the volume of mail at those offices, the estimated variability is not used at those sites and the minor impact of the variability on product costs at the smaller post offices make updating it a low priority. However, the study could be replaced or updated as resources permit, to account for any changes in postmaster activities.

Special Purpose Route Study

In the R97-1 rate case, the Postal Service provided testimony from four special studies: the Motorized Letter Route Survey, the Special purpose Route Survey, The Expedited Mail Delivery Survey, and the LDC 24 Survey. The studies produced new accrued cost pools, volume variabilities, and distribution keys. The results from the studies are currently used in cost segments 3 and 7 of the 2009 ACR to derive the attributable costs incurred by SPR carriers and by CS 3 personnel making out of the office delivery of Express Mail. The study was done in 1997 by sampling craft employees and having them write down during the day a detailed account of their activities, such as the time spent driving or delivering, as well as maintaining a record of delivered volume. The information collected was used to estimate, 1) cost pool proportions applied to current accrued street-time costs estimated annually from the In-Office Cost System (IOCS) for various activities (i.e. collection and delivery), 2) variabilities for activities such as driving and loading, and 3) distribution factors for the products delivered and collected on these routes. The distribution factors for the products delivered on SPR have been updated since the original study with the introduction of CCCS-SPR (Order

339, Proposal Eight, November 13, 2009), however the cost pool proportions, variabilities, and distribution factors for collected mail remain the same as the original study filed with Docket No. R97-1. Due to the fact that SPR carriers performed primarily the same activities as they did when the study was conducted, delivering parcels and sweeping collection boxes in large metropolitan areas, the results generally reflect the operating environment in FY09. However, as resources permit, the portions of the 1997 study being used as part of the 2009 ACR could be updated to reflect potential changes that might have occurred to the mail mix, collection box volumes and pickup times, and SPR network structure since the original study was conducted. Any such changes might affect the cost pool proportions, variabilities, and collection distribution factors.

Vehicle Service Driver Study

The Vehicle Service Driver Study (VSD) was completed in FY 1993 and its findings presented and accepted in Docket R97-1. Vehicle service drivers provide transportation between post offices, stations and branches, other postal facilities including air mail facilities, as well as some private firms. The study provided new volume variabilities and also provided proportions to divide total accrued costs based on the types of trips. Data sources for the study were a survey of plants and facilities that employ VSDs, and the Postal Service Form 4533 that detail route and scheduling information. The distribution of costs was unchanged and used cubic feet of total mail as obtained from RPW. In the ACR for FY 2008, the Postal Service substituted the Intra- SCF key from TRACS to distribute the Intra-SCF share of VSD costs. Plans are in place to sample VSD in FY 2010. Currently there are no plans to update the variability. As driving activities have remained the same, the study generally reflects current operational reality. However, both the variability and the accrued costs proportions could be updated as resources permit.

Alaska Preferential Study

The Alaska Preferential study was completed in 1994 and filed with Docket No. R97-1. The study provided distribution factors which were applied to FY09 accrued costs incurred by preferential mail transported by air within Alaska. In the 2009 ACR, the accrued costs are part of cost segment 14 and are derived by aggregating certain general ledger accounts. The study sampled mail flown on the network, and used the data to estimate distribution factors by product. Since no alternative network was used within Alaska to transport preferential mail, the results of the study generally reflect the FY09 operating environment. However, as resources permit, the distribution factors could be updated to account for changes in the mail mix that may have occurred since the study was conducted.

Alaska Non-Preferential Study

The Alaska Non-Preferential study was completed in 1994 and filed with Docket No. R97-1. The study provided distribution factors which are applied to FY09 accrued costs incurred by non-preferential mail transported by air within Alaska. In the 2009 ACR, the accrued costs are part of cost segment 14 and are derived by aggregating certain general ledger accounts. The study sampled mail flow on the network, and used the data to estimate distribution factors by product. Since no alternative network was used within Alaska to transport non-preferential mail, the results of the study generally reflected the FY09 operating environment. However, as resources permit, the distribution factors could be updated to account for changes in the mail mix that may have occurred since the study was conducted.

Hawaii Study

The Hawaii study was completed in 1994 and filed with Docket No. R97-1. The study provided distribution factors which are applied to FY09 accrued costs incurred by mail transported by air within Hawaii. In the 2009 ACR, the accrued costs are part of cost segment 14 and are derived by aggregating certain general ledger accounts. The study sampled mail flow on the network, and used the data to estimate distribution factors by product. Since no alternative network was used within Hawaii to transport mail by air, the results of the study generally reflected the FY09 operating environment. However, as resources permit, the distribution factors could be updated to account for changes in the mail mix that may have occurred since the study was conducted.

Highway Variability Study

The Highway Variability study was most recently conducted in 1999 and filed with Docket No. R2000-1. This was an update to a study originally done for Docket No. R87-1 and updated in Docket No. R97-1. The study estimated an econometric model which was used to calculate highway variabilities, which measure the change in cost caused by changes in capacity. The variabilities are estimated for different highway contract types and are used in the 2009 ACR in the determination of attributable purchased highway contract costs. Previous updates demonstrated that as long as the highway network is stable, the variabilities do not change much through time. Because the highway contract network has remained similar to it was when the study was conducted, the results generally reflect the FY09 operating environment. However, as resources permit, the variabilities should be updated because: 1) the highway network is undergoing significant changes in FY10 with the implementation of Network

Distribution Centers (NDC) and 2) declining mail volumes that have occurred since the study was done may have impacted the relationship between cost and capacity at the margin.

Surface Density Study

The Surface Density study was updated in 2009 as part of Proposal Twenty, filed on October 6, 2009. The surface densities are used in the derivation the Transportation Cost System (TRACS) distribution factors for highway transportation for FY09. These distribution factors are used to distribute attributable contract highway costs in cost segment 14 as part of the 2009 ACR.

City Carrier Street Time Study

The City Carrier Street Time Study (CCSTS) was conducted in 2002 and filed with Docket No. R2005-1. The study is used in the 2009 ACR to determine attributable city street letter route costs in cost segment 7. The study sampled city letter routes and had the carriers keep track of their daily activities with the use of a hand-held scanner, and also recorded daily volumes by shape and type of mail (letters, flats, parcels, and accountables etc) delivered on the sampled routes. The study used that information to estimate 1) cost pool proportions for various activities that occur on city letter routes (i.e. network driving, delivering, etc) and 2) variabilities to deliver different types of mail (i.e. letters, flats, sequenced, etc). These variabilities measure the change in letter route delivery time caused by a change in delivered volume, by shape. Since the street activities of a city letter route carrier have remained largely the same in FY09 as to when the study was conducted, the study in many respects reflected the operating environment in FY09. The most notable exception would be the much more widespread adoption of DPS operations in FY09, relative to 2002. However, as resources permit, the study could be updated to reflect changes that have occurred with regard to more Carrier Pick UP activity, and the implementation of the Flat Sequencing System (FSS).

Facility Space Survey

The Facility Space Survey was done in FY 1999, and was filed with the Commission in R2005-1, See USPS-T-13, Part III and USPS LR-K-62. Previous facility space surveys had been conducted in FYs 1977, 1985, and 1992. The survey provides the amount of facility space and rental costs by major operation and function. The 1999 survey included about 750 facilities with 50 million square feet of interior space, selected using a stratified random sample. Data were collected on the amount of facility space used for each operation and function for the facilities selected. While the survey included only about two percent of the Postal Service's 35,000 facilities, over one-sixth of the Postal Service's 300 million sq. ft. of facility space was surveyed due to its focus on large facilities. The FY1999 estimates of facility space by category are adjusted

for each Fiscal Year, based on information on equipment deployments, operational changes and overall Postal Service facility space growth. This adjusted data provides the share of facility space and rental costs by operation, which is used to apportion facility costs (rents, depreciation, custodial, utilities, building maintenance) costs to operation as a step in determining the variability and the distribution of these costs. These shares are called the Facility Space and Rents Factors used in the F Report. Overall facility space has grown about 7 percent since this FY1999 survey, and at least until recently there has been much stability in the operations and facility space usage, so the Facility Factors should generally reflect current operations. However, the survey should be updated as resources permit due to changes now underway in facility space use due to mail volume declines and network changes.

Highway Plant Load Study

The Highway Plant Load study was conducted in 2003 and filed with Docket No. R2005-1. The study provided distribution factors for mail transported utilizing highway plant load transportation. In the 2009 ACR, the accrued costs are part of cost segment 14 and derived by aggregating certain general ledger accounts. The study sampled the mail transported utilizing highway plant load transportation. Since highway plant load transportation costs were used by a small number of long-time mailers in FY09 and the accrued costs were similar as to when the study was conducted, the existing distribution factors generally reflect the FY09 highway plant load operating environment.

Rail Plant Load Study

The Rail Plant Load study was conducted in 2003 and filed with Docket No. R2005-1. The study provided distribution factors for mail utilizing rail plant load transportation. In the 2009 ACR, the accrued costs are part of cost segment 14 and are derived by aggregating certain general ledger accounts. The study sampled the mail transported utilizing rail plant load transportation. Since rail plant load transportation costs were small and at relatively the same level as to when the study was conducted, the results generally reflect the FY09 rail plant load operating environment.

Alaska Air Adjustment Factor

The Alaska Air Adjustment Factor was last updated in FY2004 and filed with Docket No. R2005-1. The factor was the ratio of the hypothetical costs of transporting mail in Alaska by highway to the accrued cost incurred for non-preferential Alaska air service. In the 2009 ACR, the factor is applied to accrued non-preferential Alaska air costs in cost segment 14. The factor was derived by utilizing operational data to compute the highway cost per cubic-foot-mile by contract type. Due to the continued high correlation between highway and jet fuel costs, the ratio used generally reflects the FY09 operating environment.

However, as resources permit, the factor could be updated to ensure that the amount of attributable non-preferential Alaska air costs is computed accurately according to the established methodology.

Window Service Transaction Study

The Window Service Transaction Time Study was completed in 2005 and was presented as part of the Docket No. R2006-1 rate case. It provides variabilities for estimating attributable window service costs. It is used as part of the 2009 ACR. The study was conducted by measuring transaction times at a national sample of post offices, and measuring how window service time varies with changes in volume. The study updated the previous window service transaction study done in 1996, and generally reflects current operating reality. Updating this study has a lower priority since the last one was relatively recent, but it should be updated as resources permit to account for any changes in activity at the retail window.

Letter Cost Models (First-Class Mail and Standard)

The First-Class Mail Presort letters and cards and Standard Mail Regular Presort letters mail processing unit cost estimates, and First-Class Mail Presort letters worksharing-related savings estimates are developed using the “hybrid” cost methodology that uses both Cost and Revenue Analysis (CRA) mail processing unit costs and model-based mail processing unit costs to estimate the worksharing-related savings, using the PRC methodology from PRC-ACR2007-LR3 - FY 2007 First-Class Mail and PRC-ACR2007-LR5 - FY 2007 Standard Mail.

Although cost studies related to letter processing have been filed with the Commission in various forms for decades, the current hybrid costing approach utilizing the Commission-approved benchmark for First-Class Mail letters has been BMM letters since at least Docket No. R95-1. In Docket No. R2000-1 the Commission used the average delivery cost of all nonautomation presort letters as the delivery proxy. The Postal Service chose the Nonautomation Machinable Mixed AADC presort letters as the appropriate delivery benchmark because they share similar characteristics to BMM. In Docket Nos. R2001-1 and R2005-1, the Postal Service used Nonautomation Machinable Mixed AADC presort letters as the proxy for the delivery cost for BMM benchmark. Intervener proposals to change the delivery cost proxy for BMM and to adjust the modeled DPS percentages, as well as proposals to use separate CRA adjustment factors for incoming secondary and non-incoming secondary operations, were not accepted by the Commission (ACD2008 Chapter VI, page 50). The cost model structure has not changed materially, although as new equipment has been incorporated into the letter automation program, it has also been incorporated into the letter cost models.

Although a very small number of the inputs to the letter models date back to 1995, out of 288 inputs to the model, 272 were updated to the current fiscal year data. In addition, a field study was conducted in FY 2008 to develop class-specific density tables for First-Class Mail and Standard Mail. As a result, the source of the mail flow densities changed to reflect the new density special study. Due to the fact that the volume of machinable nonautomation Standard Mail is so small, very few sites maintained separate ISS and/or OSS sort plans for Standard Mail. Consequently, the density percentages for the outgoing ISS, outgoing OSS, incoming ISS, and incoming OSS operations in the tables represent aggregate First-Class Mail and Standard Mail values. The density percentages for the outgoing primary, outgoing secondary, and incoming MMP operations, however, are specific to each class of mail.

In addition, percentages for outgoing and incoming "ISS refeeds" were added to the tables in Docket No. ACR08. In order to accommodate these new data, the cost models contained in USPS-FY08-10 had to be modified. In each mail flow model spreadsheet, cells G18 (outgoing ISS) and G51 (incoming ISS) were modified so that the initial mail volumes flowing through these operations were multiplied by the value of one plus the appropriate percentage from the density table.

As the processing environment for letters has been stable in recent years, the letter and cards mail processing models can be viewed as representing the current operating conditions and procedures with these possible exceptions. Since 2005, there have been changes to RBCS systems, with a front end processing system incorporated which finalizes images prior to Remote Computer Read (RCR). The IPSS software didn't delete the results from these images, making the leakage rate used in the models go up artificially. A method of adjusting this figure may be required to improve the model. In addition, although the model integrity is maintained, it is possible that some figures used in the model may have shifted. For example, the RCR Finalization Rate, which is the percent of mail finalized by the RCR software such that it doesn't need to be keyed at the REC, may have changed. In addition, the Post Office Box Destination Factor may have changed. This factor represents the percentage of mail that is routed to a box section for a clerk to sort to the individual boxes after being finalized in either an automation incoming secondary or manual incoming secondary operation. Although updates of these figures would not represent a conceptual shift in the models, and although these figures may not have changed materially, their updates would represent improvements to the models. It may also be desirable to investigate the letters that are processed on flats equipment, although that undertaking may represent a large expenditure of resources for a relatively small adjustment to the models.

Alternate FCM Workshare Estimates

The Postal Service first presented the cost study for delinked FCM workshare estimates in Docket No. R2006-1. The Postal Regulatory Commission (PRC) did not provide a First-Class Mail cost pool classification methodology under the de-linking scenario in the Annual Compliance Determination for FY2007. However, the PRC provided in PRC-ACR2007-LR5 - FY 2007 Standard Mail a methodology where the distinction between worksharing-related fixed and nonworksharing-related fixed cost pools (no longer necessary in a de-linking scenario) was eliminated. Absent of any guidance from the Commission, the Commission-approved cost pool classification methodology contained in PRC-ACR2007-LR5 - FY 2007 for Standard Mail was used for First-Class Mail.

Much of the discussion regarding the First-Class Mail and Standard Mail Letter and Cost models above applies to the alternate cost model, as well. The alternate models reflect the operating environment as well as the letter models, with only a conceptual difference in benchmarks.

QBRM and BRM Costs

The purpose of this item is to document calculations for the worksharing-related savings estimate for QBRM letters and cards and Business Reply Mail Fee cost estimates. The methodology for the cost study is primarily unchanged from the models presented in Docket Nos. R2001-1, R2005-1 and R2006-1. The cost avoidance underlying the discount is still defined as the difference between mail processing costs of a prebarcoded First-Class Mail reply mail piece compared to those of a handwritten First-Class Mail reply mail piece. In Docket No. ACR08, the cost estimates for the various Business Reply Mail fees were also included in the same workbook, and the model was updated to include FY 2008 equipment changes, as well as FY 2008 finalization factors, piggyback factors, volume variability factors, and wage rates

In Docket No. R97-1, the Postal Service proposed that a 3-cent discount be extended to QBRM letters and cards, based on a cost analysis presented in witness Miller's testimony (USPS-T-23). In Docket No. R2000-1, this cost study was updated and the analysis was expanded beyond the incoming primary operation and including incoming secondary costs as well. In Docket No. R2001-1, the Postal Service reconsidered the R2000-1 approach, and the R2001-1 QBRM analysis was revised to follow the methodology originally presented and approved in Docket No. R97-1. This same methodology was followed in R2005-1

In Docket No. R2006-1, the Postal Service presented the results of a survey of practices used to count Business Reply Mail, particularly High Volume QBRM. The results of this field study suggested that the percentage of High Volume QBRM that was counted manually was much higher than previously reported, and would be expected to be so since the studies presented in Docket Nos.

R2000-1 and R2001-1 necessarily excluded lower volume participants from the analysis of QBRM and thus, assumed away manually counted volumes. The current studies supporting the QBRM and BRM fees may or may not reflect the current operating practices, depending on the prevalence of manual counting.

Flat Cost Models (First-Class Mail and Standard) & Periodicals Cost Model

These models develop the mail processing unit cost estimates for First-Class Mail Presort flats, Periodicals Outside County flats, and Standard Mail Regular flats. The Periodicals flats model was altered completely in Docket No. R2006-1 as a result of proposals by intervenor Time Warner, Inc.. Subsequent changes to the model were made in preparation for Docket No. ACR2007-1, and in the years since, including proposals and additional data collected in FY 2008 and 2009 in efforts to support the new model.

Although extensive data collection has taken place in recent years in support of the Periodicals flats model, there remain undocumented assumptions in the model leftover from the original Time Warner model, such as the percentages of 5-digit and Carrier Route sacks that are opened at the destination delivery unit. Until field visits can be made to substitute data for the assumptions, it is not clear how closely the model reflects the operating procedures and environment. Additionally, some of the allied cost inputs should be validated by field observations.

Other areas of concern for the flats models include examination of the extent of manual processing of flats in non-automated zones, and the extent and reasons for manual processing in zones where automated processing does exist. This examination may include consideration of allied costs for flats that are deemed to merit extraordinary handling. Consideration of letters in flats processing streams should also be examined to ensure that flats costs accurately reflect flats costs and not additional costs due to letters.

The full incorporation of the FSS machines and possible impacts of NDC activation, particularly on residue flats processing, into the models will be necessary once the operating environment has settled down and data collection is meaningful.

Standard Mail Hybrid/Parcel Cost Study

The purpose of this item is to document the additional mail processing unit cost estimates for Standard Mail non flat-machinables (NFM) and parcels. This study was first introduced in Docket No. R2006-1 as USPS-LR-L-115 and subsequently updated in Docket Nos. ACR2007, USPS-FY07-12 and ACR2008, USPS-FY08-12. This study does not yet develop unique costs for NFMs because many of the usual data elements (conversion factors, downflow densities, etc.) required by mailflow models have not been available for NFMs in isolation from parcels.

Thus, although this study is of recent vintage, it probably does not reflect the totality of the NFM or small parcel mail processing environment.

Drop Ship Cost Avoidances for Periodicals and Standard Mail

These models provide the destination entry cost avoidance estimates for Standard Mail and Periodicals.

A discount for Periodicals based on entry at the destination SCF was first developed in Docket No. R84-1 based on the cost work prepared by witness Byrne. The cost analysis was revised in Docket No. R87-1 and in Docket No. R90-1, at which time a savings estimate was developed to support the destination delivery unit discount. In Docket No. R2001-1, a cost avoidance for entry at the destination Area Distribution Center (DADC) was introduced. The current Periodicals destination entry cost methodology approach continues to rely on the Postal Regulatory Commission (PRC) cost methodology from Docket No. R2006-1.

The Standard Mail destination entry cost avoidance methodology was first presented in Docket No. R90-1. The Standard Mail methodological approach relies on the Commission cost methodology from Docket No. R2006-1 and subsequent cost model modifications described in Docket No. ACR2007, USPS-FY07-13. While the overall estimating methodology is the same as that relied upon in the predecessor documents, the Standard Mail analysis was expanded in Docket No. ACR08 to estimate cost avoidances by shape (letters, flats, and Non-Flat Machinables/parcels). A shape-specific analysis was possible in that docket because the Standard Mail line items in the Cost and Revenue Analysis (CRA) report became available in more disaggregated form. In the 2008 annual compliance determination (ACD), however, the Commission continued to rely on the aggregate (all shapes combined) cost avoidance estimates and recommended that the Postal Service present the shape-specific analysis in a separate docket. A shape-specific analysis was subsequently presented in Docket No. RM2009-10, Proposal 13 and approved by the Commission in Order No. 339. The current Standard Mail destination entry cost methodology approach therefore relies on the expanded Docket No. R2006-1 cost methodology approved by the Commission in Order No. 339.

Because the dropship cost avoidance models reflect mainly transportation and container movements, they should be examined in the future to ensure that they properly reflect the transportation and allied labor environments in the aftermath of the NDC activation. In addition, as improved mail processing cost models for the Standard NFMs and Parcels are developed, it will be necessary to integrate those models for cohesiveness.

ECR Mail Processing Unit Costs

This analysis develops mail processing unit costs by shape for Standard Mail rate categories in the categories of mail formerly known as Enhanced Carrier Route (ECR). The analysis pulls relies on the PRC cost methodology from Docket No. R2006-1 and subsequent cost model modifications described in Docket No. ACR2007, USPS-FY07-18, in which separate unit cost estimates were available for High Density and Saturation mail to provide more detail. The analysis relies on computer programs to extract clerk and mailhandler tallies from the IOCS data set and distributes them to mail processing and administrative/window service costs. Adjustments are made for dropship cost differences.

To the extent that the dropship models do not reflect current operational conditions, the ECR model could be affected. However, as the model relies primarily on distributions of tallies rather than mailflow model assumptions and the model necessarily relies on the most recent IOCS tallies, this analysis may be of a different nature from those “special studies” to which the considerations of Section 3050.12 would apply.

Window Service Cost by Shape

This analysis develops window service volume-variable costs by shape for First-Class Mail Presort, Standard Mail Regular, and Standard Mail ECR, relying on the PRC cost methodology from Docket No. R2006-1 and subsequent cost model modifications described in Docket No. ACR2007, USPS-FY07-20. The analysis extracts clerk and mail handler tallies from the IOCS data set, and primarily distributes costs. As such, this analysis may be of a different nature from those “special studies” to which the considerations of Section 3050.12 would apply.