

WORKSHARING DISCOUNTS

I. PREFACE

A. Purpose and Content

USPS-FY11-3 reports worksharing discounts, cost avoidances and passthroughs for market dominant products for FY 2011. It consists of a CD ROM containing the electronic version, and several printouts containing the hard copy version of the worksharing discounts.

B. Predecessor Documents

Docket No. ACR2010, USPS-FY10-3.
Annual Compliance Determination FY 2010, Chapter VII (March 29, 2011).

C. Methodology

Costs avoided due to worksharing are developed in the input attachments identified in the Input/Output section below. 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 June 6, 2011. Passthroughs are calculated for each discount as the ratio of the discount to the avoided cost.

For Periodicals, bundle and container prices are presented as a percentage of cost. It should be noted that these calculations are not cost avoidances or worksharing passthroughs.

D. Input/Output

This attachment relies on avoided cost estimates due to worksharing developed in Attachments USPS-FY11-10, USPS-FY11-11, USPS-FY11-12, USPS-FY11-13, USPS-FY11-15, USPS-FY11-19 and USPS-FY11-21. Discounts rely on prices from USPS Notice 123—Price List, effective June 6, 2011. Specific sources are listed at the bottom of each table in USPS-FY11-3.

II. ORGANIZATION

In addition to this Preface, USPS-FY11-3 includes an Excel workbook entitled FY11.3.Worksharing Discount Table_Final.xls. This workbook contains seventeen worksheets showing the benchmark pieces, discounts, cost

differentials and passthroughs for each type of worksharing offered in FY 2011 for market dominant products. The following worksheets are included:

- FCM Single Piece Letters, Cards*
- FCM Bulk Letters, Cards*
- FCM Flats*
- FCM Parcels*
- Periodicals Outside County*
- Per. 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

USPS-FY11-3 also includes an Excel workbook entitled FY11.3Alternate.Worksharing Discount Table_Final.xls. This workbook contains eleven worksheets (those marked with an asterisk (*) above) reflecting the pending methodological (carwash) changes filed with the Postal Regulatory Commission in Docket Nos. RM2012-1 and RM2012-2. The worksheets show the cost avoidances and passthroughs which would result should these proposed methodological changes be approved.