

FY 2011 DELIVERY COSTS BY SHAPE

I. PREFACE

A. Purpose and Content

USPS-FY11-19 documents the development of FY 2011 attributable delivery costs by rate category for First-Class, Periodicals, Standard, Bound Printed Matter, and Media Mail.

B. Predecessor Documents

In Docket No. ACR2010, PRC-ACR2010-LR8-FY2010 and USPS-FY10-19.

C. Corresponding Non-Public or Public Document

There is no corresponding Non-Public document to USPS-FY11-19.

D. Methodology Changes

USPS-FY11-19 utilizes the established methodology from PRC-ACR2010-LR8.

However, two corrections are made in the current version. One, prepaid collected parcels less than two pounds on rural routes are correctly counted as flats (UDC Inputs, Tab Rural Vols, column 12). This was included last year in USPS-FY10-32 (Workbook CS10) but not in USPS-FY10-19. See Docket No. RM2010-12, Order No. 658, Proposal Five. Two, a spreadsheet link error is corrected in the UDCModel Worksheet, Tab 'SummaryBY' line 24 column 10 (comment provided in cell). In USPS-FY10-19, the link referenced the incorrect piggyback factor.

E. Inputs/Outputs

Inputs:

Workbook in USPS-FY11-19	Worksheet(s) USPS-FY11-19	Input Workbook	ACR Folder
UDCInputs11	CityShapeAdj, RuralShapeAdj	I-Forms	USPS-FY11-32
UDCInputs11	7.0.6, 7.0.8, 7.0.6.10, CS6&7 CRA, CityShapeAdj, CityDALCosts, CS7Shape,	CS06&7	USPS-FY11-32
UDCInputs11	CS10CRA, RuralCosts, RuralVols	CS10	USPS-FY11-32
UDCInputs11	CCSECRVols	CCCS_Matrix_FY11_Final	USPS-FY11-34
UDCInputs11	DPS%	CCCS_Auto_FY11_Final	USPS-FY11-34
UDCInputs11	CCSDALs	CCCS_DALCasing_FY11	USPS-FY11-34
UDCInputs11	RCSECRVols, BoxholderbyShape	RCCS_Matrix_FY11_Final	USPS-FY11-35
UDCInputs11	DPS%	RCCS_Auto_FY11_Final	USPS-FY11-35
UDCInputs11	RCSDALs	RCCS_DAL_FY11_Final.	USPS-FY11-35
UDCInputs11	CARMM, CARMECR	KLTable11v1_All	USPS-FY11-37 (CARMM File)
UDCInputs11	CARMMCasing, CARMECR	KLTable11v1_Casing	USPS-FY11-37 (CARMM File)
UDCInputs11	BYPBACK	FY11PBackAll	USPS-FY11-24
UDCInputs11	DPS%	DPS% For John K	USPS-FY11-10
UDCInputs11	RPWShape	FY11RPWADJ	USPS-FY11-14
UDCInputs11	Inputs	First Class and Standard Mail WGTI 2011	USPS-FY11-10
UDCModel11	1aDAdjustment	First Class and Standard Mail WGTI 2011	USPS-FY11-10

Outputs

USPS-FY11-3 Discounts and Passthroughs of Workshare Items

USPS-FY11-10 Special Cost Studies Workpapers -Letter Cost Models.

USPS-FY11-30 Market Dominant NSA Materials

II. ORGANIZATION

USPS-FY11-19 contains five Excel workbooks along with this PDF Preface document. The Excel workbooks perform the calculations necessary to calculate the unit delivery costs by rate category. The workbooks **KLTable11v1_All** and **KLTable11v1_Casing** are pivot tables derived from IOCS CARMM data file contained in USPS-FY10-37. These pivot tables provide *casing only* and *6.1 direct labor* costs by route grouping (letter, SPR, and other) by rate category. The workbook **UDCInputs11.xls** consists of the necessary cost and volume inputs required to derive the unit delivery costs. The workbook **VolAdj11.xls** contains all of the volume adjustments needed to calculate the unit delivery costs. Lastly, the workbook **UDCModel11.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 **Inputs11**, **VolAdj11**, and **Model11** 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.

Table 1 – FY11 Unit Delivery Costs	
Rate Category	Unit Delivery Cost (Cents)
First Class Single Piece	
Letters	9.983
Flats	20.158
Parcels	35.676
First Class Presort	
Non-automation Nonmach Mixed AADC	18.405
Non-automation Nonmach AADC	18.405
Non-automation Mach Mixed AADC	4.779
Nonautomation -- Mach AADC	4.779
Nonautomation -- Nonmach 3-Digit	18.405
Nonautomation -- Nonmach 5-Digit	18.405
Nonautomation -- Mach 3-Digit	4.579
Nonautomation -- Mach 5-Digit	4.579
Automation Mixed AADC	4.942
Automation AADC	4.701
Auto 3-Digit Letters	4.692
Auto 5-Digit Letters CSBCS/Manual Sites	18.403
Auto 5-Digit Letters Other Sites	3.454
Auto 5-Digit Letters	4.525
Presort Letters (Avg)	4.631
Presort Flats	17.721
Presort Parcels	32.706
First Class Cards	
Single Piece	12.112
FC Nonautomation Cards	4.042
Auto Mixed AADC Cards	4.180
Auto AADC Cards	3.976
Auto 3-Digit Cards	3.967
Auto 5-Digit Cards	3.826
Auto 5-Digit Cards CSBCS/Manual Sites	15.616
Auto 5-Digit Cards Other Sites	2.916
Presort Cards (Avg)	3.932
Periodicals	
Letters	7.714
Flats	12.001
Parcels	28.146

Table 1 FY10 Unit Delivery Costs (Continued)	Unit Delivery Costs (Cents)
Package Services – Bound Printed Matter	
Flats	12.204
Parcels	38.379
Package Services – Media Mail	
Flats	28.622
Parcels	44.650
Standard Regular	
Nonautomation -- Nonmach Mixed ADC	17.261
Nonautomation -- Nonmach ADC	17.261
Nonautomation – Mach Mixed AADC	4.702
Nonautomation -- Mach AADC	4.702
Nonautomation – Nonmach 3-Digit	17.261
Nonautomation – Nonmach 5-Digit	17.261
Automation Mixed AADC	4.853
Automation AADC	4.631
Automation 3-Digit Letters	4.621
Automation 5-Digit Letters	4.468
Std. Reg. Ltrs. (Avg)	4.568
Regular Flat Subtotal	15.940
Regular Parcel Subtotal	37.608
Not Flat-Machinable	18.338
Enhanced Carrier Route	
ECR Carrier Route Letters	33.462
ECR High Density Letters	3.655
ECR Saturation Letters	4.488
ECR Carrier Route Flats	11.061
ECR High Density Flats WITH DAL	8.626
ECR High Density Flats WITHOUT DAL	8.572
ECR Saturation Flats WITH DAL	5.584
ECR Saturation Flats WITHOUT DAL	5.334