

FY 2011 WINDOW SERVICE COSTS BY SHAPE

I. PREFACE

A. Purpose and Content

USPS-FY11-20 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.

B. Predecessor Documents

Docket No. R2006-1, USPS-LR-L-106.
Docket No. ACR 2007, USPS-FY07-20.
Docket No. ACR 2008, USPS-FY08-20.
Docket No. ACR 2009, USPS-FY09-20.
Docket No. ACR 2010, USPS-FY10-20.

C. Corresponding Non-Public Document

There is no corresponding non-public document.

D. Methodology

This analysis 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, Docket No. ACR2008, USPS-FY08-20, Docket No. ACR2009, USPS-FY09-20, and Docket No. ACR2010, USPS-FY10-20.

E. Input/Output

USPS-FY11-20 relies upon the 2011 IOCS data set in USPS-FY11-NP21 and replicates cost distribution and cost pool assignment methodology in USPS-FY11-7. It also relies upon window service piggyback factors as developed in USPS-FY11-24, and ECR adjustment factors and volume inputs from USPS-FY11-26.

II. ORGANIZATION

The main results are presented in the Microsoft Office Excel workbook 'FY11 Window Service Costs.xls' in the spreadsheet 'FY11 Adj Costs.' These results are also reported in Table 1, below. Data sources are referenced in each spreadsheet in the Microsoft Office Excel workbook 'FY11 Window Service

Costs.xls.' The programs and workbooks used to estimate these costs are described in the Program Documentation section below.

Subclass	Shape	FY11 Costs	FY11 Piggyback Factor *	Adj FY11 Costs
First-Class Presort				
	Letters	17,270	1.5308	26,437
	Flats	1,367	1.5308	2,093
	Parcels	47	1.5308	72
	Total	18,685		28,602
Standard ECR - High Density/Saturation				
	Letters	487	1.5308	745
	Flats	1,966	1.5308	3,010
	Parcels	0	1.5308	0
	Total	2,453		3,755
Standard ECR - Carrier Route				
	Letters	0	1.5308	1
	Flats	1,230	1.5308	1,883
	Parcels	0	1.5308	0
	Total	1,230		1,883
Standard Mail Regular				
	Letters	37,339	1.5308	57,159
	Flats	5,887	1.5308	9,012
	Parcels	2,804	1.5308	4,293
	Total	46,031		70,463

* Source: USPS-FY11-24; FY11Public.PB.xls, worksheet 'PBRatios'

III. PROGRAM DOCUMENTATION

1. Computer Hardware and Software

The FORTRAN programs are run on a HP ProLiant DL580G5 with four Intel Xeon X3750 (each with 4 cores @ 2.93GHz) microprocessors and 16 GB of RAM. The operating system on this computer is Red Hat Enterprise Linux Server release 5.5 (Tikanga) with the kernel 2.6.18-194.17.1.el5 SMP x86_64. FORTRAN programs are compiled using GFORTRAN from GNU Compiler Collection (GCC) version 4.3.0, which can be downloaded from <http://gcc.gnu.org/fortran>. The manual processing spreadsheet work is performed on PCs running the Windows XP Professional Version 2002 Service Pack 3 operating system and using Microsoft Office Excel 2003 Service Pack 3 from the Microsoft Office Professional Edition 2003.

USPS-FY11-18 includes electronic versions of all relevant programs, maps, and data files. The compiler used to run the PC-based FORTRAN programs can be downloaded freely from <http://gcc.gnu.org/wiki/GFortranBinaries>. Download the Windows 64-bit version of GFORTRAN. To compile use the command line: x86_64-pc-mingw32-gfortran.exe -O2 -ffixed-line-length-132 -finit-local-zero -fbounds-check -o {executable name} {program name.f}. The PC-based FORTRAN programs should be run in the same order as the programs are described below.

2. Preparation of the IOCS Clerk and Mail Handler Data

The following program extracts clerk and mail handler tallies from the 2011 IOCS data set and prepares the tallies for the volume-variable cost distribution for both mail processing and administration/window service costs for clerks and mail handlers as described in USPS-FY11-7.

Program: **cadoc11_prc.f** – Separates the clerk and mail handler tallies from the entire 2011 IOCS data set, separates the tallies between mail processing and administrative/window service, and assigns a cost pool to each tally using the method described in USPS-FY11-7.

Input: **FY11 IOCS Data** – Text flat file version of the submitted SAS IOCS data set (USPS-FY11-NP21)
iocs2011.h – Declaration of IOCS tally fields
mods_fins11.dat – List of MODS 1&2 finance numbers used to identify MODS 1&2 offices (USPS-FY11-7)
costpools11.prn – Map of mail processing cost pools

Output: **clk_mh_mp11.dat** – IOCS mail processing tallies
clk_mh_aw11.dat – IOCS administrative and window service tallies

3. Cost Estimates – Clerks and Mail Handlers, Window Service

The following FORTRAN programs replicate the function of the window service and administrative cost distribution SAS programs documented in USPS-FY11-7. The results of these programs are exported into Microsoft Office Excel where final results are summarized and reported.

Program: **admwin_set.f** – Prepares administration and window service IOCS tallies for the cost estimation program. Converts tally dollar values (F9250) to cost pool dollars and assigns the tally to a CAG category.

Input: **fincag.11** – List of tally finance numbers and CAG
iocs2011.h – Declaration of IOCS tally fields
clk_mh_aw11.dat – IOCS administrative and window service tallies

Output: **admwin11.dat** – Administrative and window service tallies used for the cost estimation for all office types

Program: **admwin2a.f** – Estimates the window service costs for clerks and mail handler tallies by activity code

Input: **iocs2011.h** – Declaration of IOCS tally fields
actv_intl_win11.prn – List of the direct and class specific mixed mail activity codes
admwin11.dat – Administrative and window service tallies used for the cost estimation for all office types

Output: **windist11.data** – Estimated window service costs by activity code

Program: **sumclass_win.f** – Rolls up the window service cost estimates from activity code to subclass

Input: **actv_intl_win11.prn** – List of activity codes and corresponding subclass category codes
classes_win11.prn – List of CRA subclasses
windist11.data – Estimated window service costs by activity code

Output: **wincost11.csv** – Window service cost estimates for First-Class Mail Presort, Standard Mail ECR, and Standard Mail Regular by shape

Workbook: **FY11 Window Service Costs.xls** – Calculates FY11 CRA window service (C/S3.2) costs by shape

Input: **wincost11.csv** – Window service cost estimates for First-Class Mail Presort, Standard Mail ECR, and Standard Mail Regular by shape
FY11 CRA Window Service Costs – CRA worksheet 3.2.1 and 3.2.2 (USPS-FY11-1, CS03.xls)
FY11 RPW Volumes – USPS-FY11-26
FY11 Piggyback factors by CRA cost segments - USPS-FY11-24
ECR HD/Saturation Adjustment Factor – USPS-FY11-26