

## **FY2011 Mail Processing Cost by Shape (Public Portion)**

### **I. PREFACE**

#### **A. Purpose and Content**

USPS-FY11-26 provides Mail Processing Unit Costs by Shape for FY 2011 for First-Class Mail, Periodicals, Standard Mail and Package Services. These costs are provided by cost pool, and include piggyback or indirect costs.

#### **B. Predecessor Document**

Docket No. R2006-1, USPS-LR-L-99 and PRC-LR-9; Docket No. ACR 2007, USPS-FY07-26 and Docket No. ACR 2010, USPS-FY10-26 and PRC-ACR2010-LR-8.

#### **C. Corresponding Non-Public Document**

USPS-FY11-NP20 is the corresponding non-public document, containing mail processing costs by shape for Parcel Select and Parcel Return Services.

#### **D. Methodology**

USPS-FY11-26 uses the same methodology as USPS-FY10-26 from Docket No. ACR2010. The calculations in USPS-FY11-26 have been modified to accommodate the changes in mail processing labor cost pools as discussed in USPS-FY11-7.

Specifically, the following new cost pools were added to the calculations to be consistent with the new mail processing labor cost pools:

FSS (at plants)

NDC: FSS

Post Office, Station & Branch BULKACCP

Post Office, Station & Branch BUSREPLY

Post Office, Station & Branch CFS

Post Office, Station & Branch D.PO BOX

Post Office, Station & Branch OTH ACCT

In addition, the cost pool for OCR was removed due to the elimination of the processing labor cost pool for OCR.

## **E. Input/Output**

This attachment relies on inputs developed in the following: costs in USPS-FY11-7, Cost Segment 3 Cost Pools and Other Information, parts III and VII; volumes developed in USPS-FY11-14, Mail Characteristics Study; mail processing cost pool piggyback factors developed in USPS-FY11-25; and Non-Operational specific piggyback factors developed in USPS-FY11-24.

Mail Processing cost estimates by shape are used to develop Letter Cost Models in USPS-FY11-10, Flat Cost Models in USPS-FY11-11, Standard Mail Hybrid/Parcel Cost Study in USPS-FY11-12, Drop Ship Cost Avoidances for Periodicals and Standard Mail in USPS-FY11-13, Parcels Cost Models in USPS-FY11-15, Bound Printed Matter and Parcel Post Transportation Costs/Bulk Parcel Return Service Cost Study in USPS-FY11-16, ECR Mail Processing Unit Costs in USPS-FY11-18, Delivery Cost by Shape in USPS-FY11-19, Window Cost by Shape in USPS-FY11-20, QBRM Costs in USPS-FY11-21, BPM Mail Processing Costs and Parcel Post Window Service Costs in USPS-FY11-22, and USPS-FY11-30.

## **II. ORGANIZATION**

Mail Processing Costs by Shape are contained in the Microsoft Office Excel workbook shp11prc.xls.