

**FY 2011 Special Cost Studies Workpapers  
Special Services (Public Portion)  
USPS-FY11-28**

**I. PREFACE**

USPS-FY11-28 documents the unit cost estimates for selected domestic Special Services, supplementing the cost information provided in USPS-FY11-1. These cost studies include: Address Management Services (including Correction of Mailing Lists and ZIP Coding of Mailing Lists), Caller Service, Certificate of Mailing, Confirm, Change of Address Credit Card Authentication (Public Portion), 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 Cards, Stamped Envelopes (including Personalized Stamped Envelopes Shipping), and Stamp Fulfillment Services.

In order to be consistent with the current Cost and Revenue Analysis (CRA) methodology, the Postal Service filed Proposal 14 (Docket No. RM2012-1) on November 1, 2011. Proposal 14 seeks to update several Special Services cost models by adding the appropriate waiting time adjustment factor and miscellaneous factors. These models include: Caller Service, Certificate of Mailing, Correction of Mailing List, Signature Confirmation, Periodicals Applications, PO Box Key and Lock, Restricted Delivery, and ZIP Coding of Mailing List. Proposal 14 is still pending before the Commission. The Postal Service intends to submit the original and the proposed version of the cost models, with each described separately in the "Input/Output" section below.

The Postal Service also seeks to correct and improve the cost models related to Return Receipt service in Proposal 15 (Docket No. RM2012-1). Proposal 15 also is still pending before the Commission. The Postal Service intends to submit the original and the proposed version of the cost models, with the details described in the "Input/Output" section below.

**B. Predecessor Documents**

USPS-FY10-28

**C. Methodology**

USPS-FY11-28 relies on the Postal Regulatory Commission (PRC) cost methodology based on USPS-FY10-28.

**D. Input/Output**

Generally, these cost studies use inputs from USPS-FY11-1, USPS-FY11-2, USPS-FY11-7, USPS-FY11-8, USPS-FY11-24, and USPS-FY11-25.

**1. Address Management Services**

This cost study is contained in the EXCEL file "AMS2011.xls." It contains the cost models and cost sheets that are used to develop Address Management Services costs. A Direct Labor Survey was conducted in FY11 to determine the number of hours spent by the employees and contractors for Address Management Services (AMS). Using the surveyed hours and appropriate wage rates, direct labor costs were calculated for FY11. The direct labor to total labor cost ratio is then calculated and applied to the total costs to derive AMS costs. The costs of AMS are reported in the D report (USPS-FY11-31).

**2. Caller Service**

This cost study is contained in the EXCEL file "Caller Service2011.xls." It contains the cost models and cost sheets that are used to develop Caller Service costs. If Proposal 14 is approved, the cost study contained in the EXCEL file "Caller Service2011New.xls" should be used. "Caller Service2011 New.xls" contains the proposed cost models and cost sheets that are used to develop Caller Service costs.

### **3. Certificate of Mailing**

This cost study is contained in the EXCEL file "Certificate of Mailing2011.xls." It contains the cost models and cost sheets that are used to develop Certificate of Mailing costs. If Proposal 14 is approved, the cost study contained in the EXCEL file "Certificate of Mailing2011New.xls" should be used. "Certificate of Mailing2011New.xls" contains the proposed cost models and cost sheets that are used to develop Certificate of Mailing costs.

### **4. Change of Address Credit Card Authentication (Public Portion)**

This cost study is contained in the EXCEL file "COACreditCardPub2011.xls." It contains the cost models and cost sheets that are used to develop Change of Address Credit Card Authentication costs. The calculation in USPS-FY11-28 does not reflect the Revenue Agreement with Imagitas. As a result, the revenue and expense figures in USPS-FY11-28 cannot be used to calculate the cost coverage. The cost of Change of Address Credit Card Authentication is reported in the D report (USPS-FY11-31).

### **5. Confirm**

This cost study is contained in the EXCEL file "Confirm2011.xls." It contains the cost models and cost sheets that are used to develop Confirm costs. The cost for Confirm is reported in the D report (USPS-FY11-31).

### **6. Correction of Mailing Lists**

This cost study is contained in the EXCEL file "Correction of Mailing Lists2011.xls." It contains the cost models and cost sheets that are used to develop Correction of Mailing Lists costs. If Proposal 14 is approved, the cost study contained in the EXCEL file "Correction of Mailing Lists2011New.xls" should be used. "Correction of Mailing Lists2011New.xls" contains the proposed cost models and cost sheets that are used to develop Correction of Mailing Lists costs.

### **7. Delivery Confirmation (Public Portion)**

This cost study is contained in the EXCEL file DelConPub-FY 2011.xls. It contains the cost models and cost sheets that are used to develop Delivery Confirmation unit cost estimates. The distribution of Delivery Confirmation costs (Priority Mail and Parcel Select) is reported in the D report (USPS-FY11-31).

### **8. Insurance**

This cost study is contained in the EXCEL file "Insurance Costs2011.xls." It contains the cost models and cost sheets that are used to develop Insurance costs.

### **9. Money Order Inquiry**

This cost study is contained in the EXCEL file "Money Order Inquiry Cost2011.xls." It contains the cost models and cost sheets that are used to develop Money Order inquiry costs.

### **10. Periodicals Applications**

This cost study is contained in the EXCEL file "Periodicals App Fee2011.xls." It contains the cost models and cost sheets that are used to develop Periodicals Application costs. If Proposal 14 is approved, the cost study contained in the EXCEL file "Periodicals App Fee2011New.xls" should be used. "Periodicals App Fee2011New.xls" contains the proposed cost models and cost sheets that are used to develop Periodicals Application costs.

### **11. P.O. Box Key Replacement and Lock Changes**

This cost study is contained in the EXCEL file "PO Boxes2011.xls." It contains the cost models and cost sheets that are used to develop P.O. Box key replacement and lock change costs. If Proposal 14 is approved, the cost study contained in the EXCEL file "PO Boxes2011New.xls" should be used. "PO Boxes2011New.xls" contains the proposed cost models and cost sheets that are used to develop P.O. Box key replacement and lock change costs.

### **12. Restricted Delivery**

This cost study is contained in the EXCEL file "Restricted Delivery2011.xls." It contains the cost models and cost sheets that are used to develop Restricted Delivery costs. If Proposal 14 is

approved, the cost study contained in the EXCEL file "Restricted Delivery2011New.xls" should be used. "Restricted Delivery2011New.xls" contains the proposed cost models and cost sheets that are used to develop Restricted Delivery costs.

### **13. Return Receipt**

This cost study is contained in the EXCEL file "Return Receipt2011.xls." It contains the cost models and cost sheets that are used to develop Return Receipt costs. If Proposal 15 is approved, the cost study contained in the EXCEL file "Return Receipt2011New.xls" should be used. "Return Receipt2011New.xls" contains the proposed cost models and cost sheets that are used to develop Return Receipt costs.

### **14. Signature Confirmation (Public Portion)**

This cost study is contained in the EXCEL file "SigConPub-FY 2011.xls." It contains the cost models and cost sheets that are used to develop Signature Confirmation costs. If Proposal 14 is approved, the cost study contained in the EXCEL file "SigConPub-FY 2011New.xls" should be used. The changes are in tabs highlighted in green. "SigConPub-FY 2011New.xls" contains the proposed cost models and cost sheets that are used to develop Signature Confirmation costs.

### **15. Stamped Cards**

This cost study is contained in the EXCEL file "Stamped Cards2011.xls". It contains the cost models and cost sheets that are used to develop Stamped Card costs.

### **16. Stamped Envelopes**

This cost study is contained in the EXCEL file "Stamped Envelopes2011.xls." It contains the cost models and cost sheets that are used to develop Stamped Envelope costs.

### **17. Stamped Envelopes (Personalized Stamped Envelope Shipping Costs)**

This cost study is contained in the EXCEL file "Stamped Envelopes \_PSES2011.xls." It contains the cost models and cost sheets that are used to develop Personalized Stamped Envelopes (PSE) shipping costs.

### **18. Stamp Fulfillment Services**

This cost study is contained in the EXCEL file "SFS2011.xls." It contains the cost models and cost sheets that are used to develop Stamp Fulfillment Services costs.

### **19. ZIP Coding of Mailing Lists**

This cost study is contained in the EXCEL file "Zip Coding of Mailing Lists2011.xls." It contains the cost models and cost sheets that are used to develop ZIP Coding of Mailing Lists costs. If Proposal 14 is approved, the cost study contained in the EXCEL file "Zip Coding of Mailing Lists2011New.xls" should be used. "Zip Coding of Mailing Lists2011New.xls" contains the proposed cost models and cost sheets that are used to develop ZIP Coding of Mailing Lists costs.