

COST SEGMENT 3 COST POOLS AND OTHER RELATED INFORMATION

I. PREFACE

I-A. Purpose:

USPS-FY12-7 documents the formation of C/S 3 cost pools, the development of mail processing accrued costs and volume-variable subclass costs by cost pool, and other related calculations that are inputs to the B Workpapers, the CRA model, and the Special Cost Studies.

I-B. Predecessor Documents:

USPS-FY12-7 Excel Workbook consists of 8 parts (see sections II and III below for the contents of each part). Parts I through VIII correspond to parts I through VIII of USPS-FY11-7 in Docket No. ACR2011.

I-C. Corresponding Non-Public or Public Document.

USPS-FY12-7 is the public version of USPS-FY12-NP18. The specific rate categories shown in USPS-FY12-7 are generally the same as those used last year, but reflect the introduction in FY12 of two new competitive domestic products: The domestic market-dominant and total international mail and services are the same ones appearing in USPS-FY12-NP18. However, the competitive domestic mail and services which are detailed in USPS-FY12-NP18 (non-public version) are aggregated in USPS-FY12-7.

USPS-FY12-7 SAS program codes, SAS logs, and SAS output tables generated by the SAS programs correspond to those submitted in the USPS-FY12-NP18 folder. They are however applicable to the public version of the IOCS data file in USPS-FY12-37, while those for USPS-FY12-NP18 are instead applicable to the non-public version of the IOCS data file in USPS-FY12-NP21.

I-D. Methodology:

USPS-FY12-7 uses the same methodology as described in the preface to USPS-FY11-7, but incorporates the FY12 postal modifications to the MODS operations and the enhancement or approved changes to IOCS.

The FY12 cost pools are the same cost pools listed in USPS-FY11-7, but the cost pool component MODS operations are updated to reflect postal system consolidations, additions, deletions to these operations in FY12. As part of the cost pool maintenance, the following can be noted:

- I. MODS operation #448 was redesignated from FSM 1000 to a piece of prototype FSS equipment. However, it still accrues some LDC 12 work hours at sites that do not have the prototype equipment, and those work hours account for the great majority of the hours in operation #448. Thus, most of the operation #448 hours are not associated with any particular cost pool, which serves to spread the operation #448 labor costs (1% of the total LDC12 hours) proportionally over the LDC 12 cost pools. Concurrently, the very small sample of IOCS tallies for operation #448 (none of which are at the site with the prototype equipment) are mapped to cost pools on the basis of IOCS question 18 information. Inspection of the IOCS data showed that the majority of work activities in operation #448 are associated with LDC 12.

- II. MODS streamlining to consolidate operations in some cases where previously there had been separate Function 1 and Function 4 operations allowed the use of the same operation number with two different LDCs (labor distribution codes) depending on whether the operation was clocked under a Function 1 LDC or the corresponding Function 4 LDC. Finance numbers with Function 1 LDCs are associated with the Budget Authorization (BA) code '1' and those with Function 4 LDCs are generally associated with BA code '4' but include some exceptions reporting Function 1 LDC operations. To preserve the current cost pool methodology, those exception finance numbers in BA code '4' are identified in the IOCS sampled facilities and the information is used to assign tallies in those dual LDC operations to the appropriate Function 1 or Function 4 cost pools in the MODS group. For facilities in the nonMODS group, the assignment of tallies to cost pools continues to be based on IOCS question 18.

The C/S 3 distribution keys reflect the FY12 modifications documented in USPS-FY12-37, In-Office Cost System (IOCS) Documentation (Public Version). In particular, they reflect the new IOCS activity codes for the two postal competitive products introduced in FY12 (see IC above) and the changes approved by PRC Order No. 1462, September 10, 2012 in Docket No. RM2012-5. Those changes include: updating encirclement rules for Inbound International Registered, COD, Certified, Insured and Signature Confirmation; streamlining IOCS reporting of activity codes not used in costing; and consolidating IOCS uniform operations for outgoing while providing a new option for Managed Mail operation.

I-E. Inputs/Outputs:

The FY12 information from the same data systems identified in USPS-FY10-7 (Pay Data system LDC expenses, MODS hours, and IOCS tallies) are inputs to USPS-FY12-7. The IOCS tallies are from the FY12 IOCS data file attachment in USPS-FY12-37. In addition to those data systems, the webROADS LDC 15 console hours in USPS-FY12-23, the Express Mail volume from the FY12 RPW,

and the Inbound Express Mail volume from USPS-FY12-NP2 are inputs to this folder.

USPS-FY12-7 outputs are used in other public folders as follows:

USPS-FY12-2	FY 2012 Public Cost Segments and Components Report
USPS-FY12-8	Equipment and Facility Related Costs
USPS-FY12-10	FY 2012 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY12-11	FY 2012 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY12-12	Standard Mail Hybrid/Parcel Cost Study
USPS-FY12-13	FY 2012 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY12-15	FY 2012 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model / Media Mail – Library Mail Mail Processing Cost Model
USPS-FY12-21	FY 2012 QBRM and BRM Costs
USPS-FY12-25	FY 2012 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY12-26	FY 2012 Mail Processing Costs by Shape (Public Portion)
USPS-FY12-28	FY 2012 Special Cost Studies Workpapers – Special Services (Public Portion)
USPS-FY12-31	FY 2012 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY12-32	FY 2012 CRA “B” Workpapers (Public Version)

Included at the end of this preface is Table 1, an Excel summary table of C/S 3 cost pools displaying for each cost pool: total accrued costs, mail processing accrued and volume-variable costs, and volume-variable percent of mail processing costs. The links to the table are included in USPS-FY12-7, Part I of the Excel Workbook.

II. ORGANIZATION

USPS-FY12-7 consists of:

- an Excel Workbook with eight Excel files, and
- a SAS Program documentation with txt files for SAS program codes, and rtf files for SAS logs and SAS output tables.

USPS-FY12-7 Excel Workbook comprises eight parts, each contained in an Excel file. The eight Excel files are named USPS-FY12-7 Part1.xls through USPS-FY12-7 Part8.xls. The contents of each Excel file are indicated below under section III.A. For each part of the workbook, the actual tables and their titles are listed at the beginning of each Excel file.

USPS-FY12-7 SAS documentation includes a general description of the programming procedures associated with the SAS program codes, as indicated below under section III.B. *USPS-FY12-7 SAS programs* contains txt files of the SAS program codes. *USPS-FY12-7 SAS logs* contains rtf files of the SAS logs. And *USPS-FY12-7 SAS tables* contains rtf files of the SAS output tables generated by the SAS program codes and the SAS logs.

III. DOCUMENTATION

III.A. Table Of Contents for USPS-FY12-7 Excel Workbook.

- Part I:** Development of Cost Pools for Cost Segment 3.
- Preface Table Links.
 - Summary Tables of C/S 3 accrued costs by facility type.
 - Tables of MODS Operation Hours by cost pool and by LDC for MODS 1&2 Facilities and for NDCs.
 - Tables of percent of cost pool MODS hours by LDC for MODS 1&2 Facilities and for NDCs.
 - Tables of nonMODS cost pools.
- Subclass Volume-Variable Costs and Variabilities, By Cost Pool (Cost Pools Include “Migrated” and “Fixed” Tallies by IOCS Activity Code).
- Part II:** List of MODS Operation Codes.
- Part III:** Subclass Volume-Variable Costs Disaggregated By Shape And By Cost Pool For First Class, Periodicals, Standard Mail and Package Services, Priority, Parcel Select, and Parcel Select Return Services. (Shapes identified are letter, flat, and ipp/parcel).
- Details by Metered mail for Letter-Shaped and Flat-Shaped First Class Single Piece, and by Permit Imprint for Ipp/Parcel-Shaped First Class Single Piece.
- Part IV:** Administrative and Window Service Input Costs to B Workpapers
- Part V:** Premium-adjusted Subclass Costs for C/S 3 Component 035, Distribution Keys for C/S 11, 15, 16, 18, 20 Components (inputs to the CRA model)
- Part VI:** Equipment Volume-Variabilities for C/S 11, 16 (inputs to the CRA model)

Part VII: Premium Pay Adjustment Factors By Subclass, Overhead Factors By Cost Pool, Crosswalk of Selected CRA Equipment Categories to MODS Mail Processing Cost Pools (inputs to special cost studies)

Part VIII: Disaggregated Wage Rates (inputs to special cost studies)

III. B. Sas Program Documentation for USPS-FY12-7

Programs are developed in SAS for processing on an IBM mainframe. The same FY11 SAS programs with the same general structure, methods and procedures described below are used in FY12. However, they incorporate the updates summarized above in section *I-D. Methodology*. In particular, the procedure to assign IOCS tallies to an operation with dual LDCs to either a Function 1 or a Function 4 operation was integrated in the MOD1POOL SAS program by identifying whether a finance number belongs to a BA code '1' or '4' and the finance number exceptions in BA code '4' that report primarily Function 1 operations.

1. General Objective:

This set of SAS programs generates the Cost Segment 3 mail processing, administrative and window service input data into the B Workpapers. Comments are included in the SAS programs to provide a description of the SAS codes.

The great majority of the SAS programs relate to the development of volume-variable mail processing costs by cost pool for the mail rate categories associated with three facility groups: NDCs, MODS 1&2 facilities, and NONMODS facilities (NONMODS consist of all other Post-Offices, Stations, and Branches that are not part of the MODS 1&2 group). The three facility groups are identified by finance numbers. The cost pools for the NDCs and MODS 1&2 facilities are identified by MODS operations while those for the NONMODS offices are identified by IOCS operations. Thus, the cost pool dollars for the NDCS and MODS 1&2 cost pools and the total dollars for the NONMODS facilities are derived independently from IOCS.

Volume-variable costs by mail rate categories are obtained by applying mail distribution keys to volume-variable activities within a cost pool. The cost pool volume-variable and non-volume-variable activities as well as the migrated tallies are determined by IOCS (migrated tallies are activities assigned by IOCS to non-mail processing functions but they are included in the mail processing cost pool as a result of the use of MODS operation numbers reported in IOCS). Distribution keys (i.e. percentages of dollar-weighted tallies by mail category) are based on mail class and subclass information collected through IOCS. Using IOCS data, the programs construct various distribution factors from direct dollar-weighted tallies ("direct" tallies are tallies for which a mail category has been identified by the data collector). These factors are then applied within a cost pool

to distribute the dollar-weighted tallies associated with mixed mail or not-handling mail activities to mail rate categories. The combined direct and subclass distributed dollar-weighted tallies are then adjusted to the cost pool costs to provide the mail processing volume-variable costs for the mail rate categories.

2. General Programming Structure:

Step0 *Partition Tallies into Three Facility Groups Based on Tally Finance Numbers*

The SAS program selects all records from the IOCS Tally File which meet the following criteria:

Employee is a clerk or mailhandler
Employee is not at a CAG K office.

The IOCS tallies are divided into three facility groups, based on the tally finance numbers:

MODS 1&2
Non-MODS
NDCS

The programming processing tasks are organized and performed separately for each of the above three groups. Although there are variations of criteria and parameters in step execution and of input and output data among the three groups, the program core structures and algorithms are similar across the groups (accordingly the SAS program names have not been changed). All computations are based on dollar-weighted tallies.

The succession of processing steps that is common across the three groups is as follows:

Step1 *Assign Tallies to C/S 3 Functions and Mail Processing Cost Pools; Construct Subclass Distribution keys and Identify Groups of Tallies to which the Distribution Keys would apply.*

- 1.1 Classify clerk and mail handler tallies into mail processing, window service, claims and inquiries, and administrative groups.
- 1.2 Classify the mail processing tallies into cost pools. The MODS tallies are further disaggregated into ISC and non-ISC tallies. All the ISC mail processing operations are aggregated to form the international mail processing cost pool.

- 1.3 Identify, within each cost pool, the sets of tallies to be used for subclass distribution factors in Step 3 and the sets of tallies to which the distribution factors will apply in all subsequent processing steps. (The two sets are sometimes referred to as *distributing* and *distributed* sets). Note: migrated tallies, non-volume-variable tallies and Express mail out-of-office tallies are set aside at this stage)
- 1.4 Construct piece-shape, and item-type subclass distribution factors for Step2, based on the piece shapes and item types of direct tallies.

Step2 *Distribute mixed mail handling tallies to subclasses*

- 2.1 Apply subclass distribution factors from Step 2 to distribute dollar-weighted tallies of uncounted and empty single items, and of items and loose pieces in 'identified' containers.
- 2.2 Use distributed dollar-weighted tallies of 'identified' containers from Step 2.1 and dollar-weighted tallies of direct containers from Step 1.3 to construct subclass distribution factors by container type.
- 2.3 Apply subclass distribution factors to distribute dollar-weighted tallies of 'unidentified' and empty containers.
- 2.4 Use distributed dollar-weighted tallies of 'identified', 'unidentified' and empty containers to distribute dollar-weighted tallies of tall pallet boxes.

Step3 *Distribute not-handling tallies and special pool costs to subclasses*

- 3.1 Construct proxy subclass distribution keys for LDC 15, and broad based distribution keys for distributing not-handling tallies in specified cost pools.
- 3.2 Construct subclass distribution keys based on handling tallies for distributing 'not handling' dollar-weighted tallies within a cost pool.
- 3.3 Distribute LDC15 costs and not-handling tallies to mail rate categories.
- 3.3 Combine all direct and subclass-distributed dollar-weighted tallies.

Step4 *Special Adjustment to Allied Cost pools*

- 4.1 Adjust the non-special services subclass distribution keys for the 'allied' cost pools based on the PRC methodology, and apply the adjusted distribution keys to the mail processing volume-variable costs by cost pool.

- 4.2 Distribute the volume-variable portion of the out-of-office Express Mail costs to Express Mail rate categories.
- 4.3 Combine direct and subclass-distributed costs for non-allied cost pools obtained in Step 3 and for 'allied' cost pools obtained in Step 4.1 with the out-of-office Express mail costs from Step 4.2, and add back the costs for non-volume-variable and migrated tallies. The costs thus obtained are inputs into C/S 3 workpapers.

Cost pools for the MODS 1&2 facilities and the NDCS are based on the MODS operations reported in IOCS (Q18A03). Mail processing cost pools for the Non-MODS are based on responses to Question 18.

Distributing sets consist of records with a mail or special service activity code (i.e., 1000-4950, 53XX-54XX, and 0020-0900 *if the employee is handling mail*) and *distributed* sets consist of those without. Records in both sets can be associated with:

pieces
 item types (Q20=B, Q21B01=A-G, Q21B02=A-H)
 container types (Q21C01=A-I, Q21C02=A-B,E, Q20=F, Q21B01=H)

Note: The terms 'item' and 'container' are not used as such in the FY 05 redesigned IOCS questionnaire. However, the terms 'item' and 'container' are still applicable. 'Item' refers to the following categories: bundles (Q10=B); and non-wheeled container types, primarily trays and sacks, (Q21B01=A-D,F-G, Q21B02=A-H). 'Container' refers to the following categories: wheeled container types (Q21C01=A-I); pallets and short pallet boxes (Q21C02=E, Q21C02=A-B); and combinations of containers (Q20=F, Q21B01=H). Tall pallet boxes are in a separate category of their own.

In Step 1, *distributing* items are those with identical mail, where the top piece rule applies or where the piece contents are counted. *Distributed* items are:

single items, uncounted or empty

items in 'identified' containers. 'Identified' containers are those with recorded percentages of container volume (cube) occupied by shapes of loose mail and/or items (criteria: Q21G01[A-U] must not be all zero or blank, or contain any asterisks).

Distributing pieces are pieces handled by the employee or pieces processed on piece sorting equipment. *Distributed* pieces are loose mail in 'identified' containers.

In Step 2.1, 'identified' container tallies are processed similarly to counted item tallies in the IOCS file. A separate record is created for each non-zero percentage recorded for an item type or shape of loose mail in the container. The dollar weight for this record is the pro-rated tally dollar weight, based on the

ratio of the recorded percentage for an item type or loose mail shape to the totaled percentages. In this fashion, each record in the distributed groups is uniquely identified with an item type or piece shape to which a distribution factor can be applied.

In Step 2.2, *distributing* containers are containers with identical mail and 'identified' containers whose content costs are distributed in Step 2.1. *Distributed* containers are 'unidentified' containers, (they have insufficient content information) or empty containers.

3. General Methods and Procedures Employed:

Programs are developed in SAS for processing on an IBM mainframe.

The underlying algorithm to construct a distribution key and distribute costs is employed at several places in the above process. A key is generally derived within the bounds of a single cost pool, but for specified circumstances, it can be derived across several cost pools. It is, however, always applied within the bounds of a single cost pool. The algorithmic approach is to:

Create for each mail activity code in the distribution key a separate distribution factor record containing the values of a numerator (*key*) and a denominator (*keytot*). *key* is the summed tally dollar weights for a mail activity code. *keytot* is the summed tally dollar weights for all mail activity codes in the distribution key. This is accomplished through applications of *SAS proc means* and *SAS merge*.

Uniquely identify each of the distribution key records by numbering them from 1 to *N*. The record sequence number will be used as a *merge* control variable.

Create for each record in the distributed group as many duplicate records as there are separate mail activity codes in the distribution key. Uniquely identify each of the duplicate records by numbering them from 1 to *N*.

Through a *SAS merge* with the distribution key records, add a mail activity code and the corresponding *key* and *keytot* to each record in the distributed group.

Multiply the record tally dollar weight by the ratio of *key* to *keytot* to obtain the distributed record tally dollar weight for the mail activity code.

If in a cost pool there is no distribution key to apply to a record in the distributed set, a new distribution key aggregated across cost pools is constructed and applied to that record, using the above procedure. The aggregation across cost pools is performed within each of the three facility groups, e.g. MODS 1&2 (with the ISC cost pool being excluded from this process), NONMODS, and NDCs.

For the ISC cost pool, the distributed mixed mail subclass costs are proportionately augmented within each pool by the undistributed amount in that pool.

Several sets of SAS program codes are listed as separate programs that can be inserted into any programs by using the SAS '% INCLUDE' Statement.

For example, the SAS program codes used to implement Steps 1.3 and 1.4 are applicable to all three facility groups. They are therefore stored as a separate SAS program (MAPITEMC). The same SAS program codes for MAPITEMC can be inserted into any of the programs by using the SAS '% INCLUDE.' They are then executed as part of these program codes.

Examples of other similar types of programs include: MAPCLASS which maps the activity codes into the rate categories; MAPCLCRA which assigns the CRA subclass numbers to those in established in MAPCLASS; DOLWGT and DOLWGTBM which provide for each MODS and NDCS mail processing cost pool the IOCS \$, the cost pool \$, and the facility space component number associated with the cost pool; DOLWGTNM which provides for non-MODS offices the aggregate IOCS \$, the aggregate accrued \$, the overhead factors used to incorporate the 'on break' and 'clocking in/out' costs into each mail processing cost pool, and the space component associated with each cost pool; DIST5354 which redistributes the costs for 5340 and 54XX to the relevant rate categories; PRCACTV which lists the activity codes considered to be non-volume-variable and the migrated tallies; SHAPES which maps the activity codes into disaggregated rate categories by shape.

4. List of SAS Programs:

Listed below are SAS programs with their input data sets and output data sets. Output data sets are temporary partitioned data files (the member name is in parentheses). Output data sets from a SAS program are used as input data sets for subsequent SAS programs (see JCL.rtf for the sequence in which the SAS programs are executed). The SAS programs for mail processing can be associated with steps 0 through 4 in section 2 above as follows:

SAS PROGRAM	INPUTS	OUTPUTS
MBCLREF (Step 0)	<ul style="list-style-type: none"> ▪ The mainframe version of the PC SAS IOCS Data File in USPS-FY12-37. ▪ Flat file of F2 MODS 1&2 encrypted finance numbers in IOCS file 	&&MODS.TALLIES &&NONMODS.TALLIES &&BMCS.TALLIES

MODS 1&2 PROGRAMS	% INCLUDE PROGRAMS	INPUTS	OUTPUTS
MOD1POOL (Steps 1.1, 1.2)	MODS12 REMAP12 DOLWGT	&&MODS.TALLIES	&&MODS(MODS) &&MODS(EXPRSOUT)
MOD1DIR (Steps 1.3, 1.4)	MAPITEMC	&&MODS(MODS)	&&MODS (DIRECT) &&MODS (MODKEY) &&MODS (ITEMPC) &&MODS (CONTEMP) &&MODS (NOTHAND) &&MODS(LD15) &&MODS(PALLET2) &&MODS (EXEMPT) &&ADMWIN (MODS)
MOD2ITEM (Steps 2.1)		&&MODS (MODKEY) &&MODS (ITEMPC)	&&MODS (ITEMFILL)
MOD22ITM (Steps 2.1)		&&MODS (MODKEY) &&MODS (ITEMPC)	&&MODS (ITEMFIL1)
MOD23ITM (Steps 2.1)		&&MODS (MODKEY) &&MODS (ITEMPC)	&&MODS (ITEMFIL2)
MOD3CONT (Steps 2.2, 2.3)		&&MODS (MODKEY) &&MODS (ITEMFILL) &&MODS (ITEMFIL1) &&MODS (ITEMFIL2) &&MODS (CONTEMP)	&&MODS (CONTFILL)
MOD31CNT (Steps 2.4)		&&MODS (PALLET2) &&MODS (ITEMFILL) &&MODS (ITEMFIL1) &&MODS (ITEMFIL2) &&MODS (CONTFILL)	&&MODS (PALL2FIL)
MOD4DIST (Step 4)	DOLWGT DIST5354 MAPCLASS	&&MODS (DIRECT) &&MODS (ITEMFILL) &&MODS (ITEMFIL1) &&MODS (ITEMFIL2) &&MODS (CONTFILL) &&MODS (PALL2FIL) &&MODS (NOTHAND) &&MODS (EXEMPT)	&&MPCOSTS (MODS) &&MPCOSTS (EXEMPT)
M5ALLIED (Step 5)	DOLWGT DIST5354 MAPCLASS	&&MPCOSTS (MODS) &&MPCOSTS (EXEMPT) &&MODS (MODKEY) &&MODS (ITEMPC) &&MODS (CONTEMP) &&MODS (NOTHAND) &&MODS(PALLET2) &&MODS(EXPRSOUT)	&&MPCOSTS(MODSPRC) Summary Data Inputs into C/S3 Workpapers and CRA
MODSHAPE	SHAPES	&&MPCOSTS(MODSPRC)	Inputs into USPS-FY12-26

NDCS PROGRAMS	% INCLUDE PROGRAMS	INPUTS	OUTPUTS
BMC1 (Steps 1.1 thru 1.4)	<i>DOLWGTBM MAPITEMC</i>	<i>&&BMCS.TALLIES</i>	<i>&&BMCS (BMC1POOL) &&BMCS (BMCKEY) &&BMCS(DIRECT) &&BMCS (ITEMPC) &&BMCS (CONTEMP) &&BMCS (PALLET2) &&BMCS(NOTHAND) &&ADMWIN(EXEMPTBM) &&ADMWIN(BMCS)</i>
BMC2 (Steps 2.1)		<i>&&BMCS (BMCKEY) &&BMCS (ITEMPC)</i>	<i>&&BMCS (ITEMFILL)</i>
BMC3 (Steps 2.2, 2.3)		<i>&&BMCS (BMCKEY) &&BMCS (CONTEMP) &&BMCS (ITEMFILL)</i>	<i>&&BMCS (CONTFILL)</i>
BMC31CNT (Steps 2.4)		<i>&&BMCS (PALLET2) &&BMCS (ITEMFILL) &&BMCS (CONTFILL)</i>	<i>&&BMCS (PALL2FIL)</i>
BMC4DIST (Step 4)	<i>DOLWGTBM DIST5354 MAPCLASS</i>	<i>&&BMCS (DIRECT) &&BMCS (ITEMFILL) &&BMCS (CONTFILL) &&BMCS (PALL2FIL) &&BMCS (NOTHAND) &&ADMWIN (EXEMPTBM)</i>	<i>&&MPCOSTS (BMCS) &&MPCOSTS (EXEMPTBM)</i>
B5ALLIED (Step 5)	<i>DOLWGTBM DIST5354 MAPCLASS</i>	<i>&&MPCOSTS (BMCS) &&MPCOSTS (EXEMPTBM) &&BMCS (BMCKEY) &&BMCS (ITEMPC) &&BMCS (CONTEMP) &&BMCS (NOTHAND) &&BMCS(PALLET2)</i>	<i>&&MPCOSTS (BMCSPRC) Summary Data Inputs into C/S3 Workpapers</i>
BMCSHAPE	<i>SHAPES</i>	<i>&&MPCOSTS (BMCSPRC)</i>	<i>Inputs into USPS-FY12-26</i>

NONMODS PROGRAMS	% INCLUDE PROGRAMS	INPUTS	OUTPUTS
NONMOD1 (Steps 1.1 thru 1.4)	<i>DOLWGTM MAPITEMC</i>	<i>&&NONMODS.TALLIES</i>	<i>&&NONMODS (NMD1POOL) &&NONMODS (EXPRSOUT) &&NONMODS (PALLET2) &&NONMODS (NMODKEY) &&NONMODS (DIRECT) &&NONMODS (ITEMPC) &&NONMODS (CONTEMP) &&NONMODS (NOTHAND) &&ADMWIN(EXEMPTNM) &&ADMWIN(NMOD)</i>
NONMOD12 (Steps 2.1)		<i>&&NONMODS (NMODKEY) &&NONMODS (ITEMPC)</i>	<i>&&NONMODS (ITEMFILL)</i>
NONMOD22 (Steps 2.1)		<i>&&NONMODS (NMODKEY) &&NONMODS (ITEMPC)</i>	<i>&&NONMODS (ITEMFIL1)</i>
NONMOD3 (Steps 2.2, 2.3)		<i>&&NONMODS (NMODKEY) &&NONMODS (ITEMFILL) &&NONMODS (ITEMFIL1) &&NONMODS (CONTEMP)</i>	<i>&&NONMODS (CONTFILL)</i>
NONMOD31 (Steps 2.4)		<i>&&NONMODS (PALLET2) &&NONMODS (ITEMFILL) &&NONMODS (ITEMFIL1) &&NONMODS (CONTFILL)</i>	<i>&&NONMODS (PALL2FIL)</i>
NONMOD4 (Step 4)	<i>DOLWGTM DIST5354 MAPCLASS</i>	<i>&&NONMODS (DIRECT) &&NONMODS (ITEMFILL) &&NONMODS (ITEMFIL1) &&NONMODS (CONTFILL) &&NONMODS (PALL2FIL) &&NONMODS (NOTHAND) &&ADMWIN(EXEMPTNM)</i>	<i>&&MPCOSTS (NONMODS) &&MPCOSTS (NMEXEMPT)</i>
N5ALLIED (Step 5)	<i>DOLWGTM DIST5354 MAPCLASS</i>	<i>&&MPCOSTS (NONMODS) &&MPCOSTS (NMEXEMPT) &&NONMODS (NMODKEY) &&NONMODS (ITEMPC) &&NONMODS (CONTEMP) &&NONMODS (NOTHAND) &&NONMODS(PALLET2) &&NONMODS(EXPRSOUT)</i>	<i>&&MPCOSTS (NMODPRC) Summary Data Inputs into C/S3 Workpapers</i>
NMDSHAPE	<i>SHAPES</i>	<i>&&MPCOSTS (NMODPRC)</i>	<i>Inputs into USPS-FY12-26</i>

ADMINISTRATIVE/ WINDOW SERVICES PROGRAMS	% INCLUDE PROGRAMS	INPUTS	OUTPUTS
ADMWIN WINACCP	<i>DOLWGT DOLWGTBM DOLWGTM DIST5352 MAPCLASS MAPCLCRA</i>	<i>&&ADMWIN(MOD) &&ADMWIN(NMOD) &&ADMWIN(BMC) &&MODS(EXPRSOUT)</i>	<i>Inputs into C/S 3 Workpapers</i>

Table 1: FY 12 Cost Segment 3 Clerk and Mailhandler Cost Pools**1. MAIL PROCESSING (LDC 11-15,17-18,41-44,48-49,79 MODS ops for MODS & NDCs, IOCS ops for nonMODS)**

SAS name	Applicable LDC or IOCS	Cost Pool Title	Pool Total Costs (incl migrated & fixed) (a)	PRC Mail Proc Pool costs (excl 'migrated') (b)	PRC Mail Proc Vol.Var. Costs (excl 'fixed') (c)	PRC Mail Proc Pool Volume-Variable Factor c / d
1A. MAIL PROCESSING - MODS 1&2 GROUP						
Automated Distribution						
D/BCS	11	BCS/DBCS	1,783,565	1,776,235	1,765,808	0.9941
Mechanized Distribution, Letters & Flats						
AFSM100	12 & 17	AFSM100 (incl. LDC17 MODS op #140)	571,607	568,527	561,127	0.9870
FSM/1000	12	FSM 1000	14,337	14,106	13,977	0.9908
FSS	12 & 17	FSS (incl. LDC17 MODS op #530)	212,883	212,564	209,747	0.9868
Mechanized Distribution, Other						
MECPARC	13	Mechanized Parcels	7,082	6,921	6,564	0.9484
SPBS OTH	13	SPBS - Non Priority	260,918	259,623	251,509	0.9687
SPBSPRIO	13	SPBS - Priority	312,090	310,724	304,827	0.9810
1SACKS_M	13	Mechanical Sort - Sack Outside	40,806	40,438	38,281	0.9467
1TRAYSRT	13	Mechanical Tray Sorter / Robotics	273,348	271,812	259,043	0.9530
Manual Distribution						
MANF	14	Manual Flats	169,795	169,183	166,530	0.9843
MANL	14	Manual Letters	381,209	377,655	371,446	0.9836
MANP	14	Manual Parcels	33,593	33,500	32,755	0.9778
PRIORITY	14	Manual Priority	236,386	235,447	230,207	0.9777
LD15	15	LDC 15	77,250	77,250	70,987	0.9189
Allied Operations						
1CANCEL	17	Cancellation	246,515	246,208	243,258	0.9880
1DSPATCH	17	Dispatch	159,468	158,859	154,943	0.9754
1FLATPRP	17	Flats Preparation (excl. LDC17 op#140 & #530)	70,670	70,326	69,163	0.9835
1MTRPREP	17	Mail Preparation - metered	14,390	14,199	14,008	0.9865
1OPBULK	17	Opening Unit - BBM	58,557	58,447	56,502	0.9667
1OPPREF	17	Opening Unit - Preferred Mail	216,649	214,921	210,828	0.9810
1OPTRANS	17	Opening - Manual transport	76,803	76,504	71,952	0.9405
1PLATFORM	17	Platform	1,213,779	1,209,143	1,129,188	0.9339
1POUCHNG	17	Pouching Operations	46,089	45,679	44,733	0.9793
1PRESORT	17	Presort	97,162	94,389	90,428	0.9580
1SACKS_H	17	Manual Sort - Sack Outside	48,116	48,003	46,144	0.9613
1SCAN	17	Air Contract DCS and Incoming/SWYB	71,385	70,755	69,463	0.9817
Other Operations						
BUSREPLY	18	Business Reply / Postage Due	14,924	14,864	14,500	0.9755
EXPRESS	18	Express Mail	82,932	81,993	72,613	0.8856
MAILGRAM	18	Mailgram	-	-	-	-
REGISTRY	18	Registry	82,402	82,059	48,719	0.5937
REWRAP	18	Damaged Parcel Rewrap	12,364	12,119	11,809	0.9744
1EEQMT	18	Empty Equipment	31,040	30,718	30,595	0.9960
1MISC	18	Miscellaneous	66,913	57,232	55,244	0.9653
1SUPPORT	18	Mail Processing Support	167,250	52,560	44,282	0.8425
INTL ISC	all MP LDCs	ISCs (International Service Centers)	191,573	184,820	178,235	0.9644
LD41	41	LDC 41 - Unit Distribution - Automated/Mechanized	5,449	5,396	5,359	0.9932
LD42	42	LDC 42 - Business Return Services	35,088	33,166	32,215	0.9713
LD43	43	LDC 43 - Unit Distribution - Manual	535,082	523,704	510,881	0.9755
LD44	44	LDC 44 - Post-Office Box Distribution	99,806	88,890	87,319	0.9823
LD48 EXP	48	LDC 48 - Customer Service / Express 1/	13,690	13,554	8,087	0.5967
LD48 OTH	48	LDC 48 - Customer Service / Other 1/	190,707	146,894	132,316	0.9008
LD48_ADM	48	LDC 48 - Customer Service / Admin 1/	149,170	77,449	67,853	0.8761
LD48_SSV	48	LDC 48 - Customer Service / Spec.Servc. 1/ Total Ldc 48	60,784 414,350	56,928	36,910	0.6484
LD49	49	LDC 49 - Computerized Forwarding Syst.	98,960	98,584	98,255	0.9967
LD79	79	LDC 79 - Mailing Req' & Bus. Mail Entry	200,609	188,538	85,095	0.4513
MAIL PROCESSING TOTAL FOR MODS 1&2 Offices			8,733,196	8,410,885	8,003,703	0.9516

Table 1: FY 12 Cost Segment 3 Clerk and Mailhandler Cost Pools

SAS name	Applicable LDC or IOCS	Cost Pool Title	Pool Total Costs (incl migrated & fixed) (a)	PRC Mail Proc Pool costs (excl 'migrated') (b)	PRC Mail Proc Vol.Var. Costs (excl 'fixed') (c)	PRC Mail Proc Pool Volume-Variable Factor c / d
1B. MAIL PROCESSING - NDCs GROUP						
FSS	12 & 17	FSS (incl. LDC17 MODS op #530)	22,508	22,411	22,141	0.9879
MANP	14	NDC Manual Parcel Sorting (incl manual NMO)	25,462	25,385	23,862	0.9400
NMO	13	Non-Machinable Outside sorter (NMO)	3,455	3,455	3,342	0.9674
OTHR	other MP LDCs	Allied Labor & all other Mail Processing	113,004	74,685	72,208	0.9668
PLA	17	Platform	382,931	381,539	350,064	0.9175
PSM	13	Parcel Sorting Machine	156,832	154,824	152,071	0.9822
SPB	13	SPBS	64,077	63,546	61,437	0.9668
SSM	13	Sack Sorting Machine	23,855	23,855	23,266	0.9334
TRAYSORT	13	Tray Sorter & Robotics	47,884	47,670	44,831	0.9404
MAIL PROCESSING TOTAL FOR NDCs			817,501	797,370	752,223	0.9434
1C. MAIL PROCESSING - NON-MODS GROUP						
ALLIED	IOCs	Allied	361,717	361,717	351,085	0.9706
AUTO/MEC	IOCs	Automated/Mechanized	24,527	24,527	24,527	1.0000
BULKACCP	IOCs	Bulk Mail Acceptance	87,877	87,877	25,571	0.2910
BUSREPLY	IOCs	Business Return Services	34,725	34,725	34,396	0.9905
CFS	IOCs	Computerized Forwarding System	4,652	4,652	4,652	1.0000
D.PO BOX	IOCs	Distribution to P.O. Box	172,469	172,469	171,638	0.9952
EXPRESS	IOCs	Express Mail	29,854	29,854	22,779	0.7630
MANF	IOCs	Manual Flat	270,485	270,485	267,950	0.9906
MANL	IOCs	Manual Letter	299,324	299,324	296,018	0.9890
MANP	IOCs	Manual Parcel	393,337	393,337	390,427	0.9926
MISC	IOCs	Miscellaneous	226,260	226,260	224,607	0.9927
OTH ACCT	IOCs	Other Accountable	153,064	153,064	75,615	0.4940
REGISTRY	IOCs	Registry	20,644	20,644	10,670	0.5169
MAIL PROC.TOTAL FOR NONMODS			2,078,933	2,078,933	1,899,934	0.9139
TOTAL MAIL PROCESSING FOR COST SEGMENT 3			11,629,630	11,287,188	10,655,860	0.9441
2. ADMISTRATIVE/WINDOW SERVICES - inputs to B Workpapers						
2A. ADMISTRATIVE/WINDOW SERVICES -MODS			978,217			
	non-MP LDCs	Administrative Services - ISCs	6,648			
	45	Window Services	666,740			
	75	Claims & Inquiries	9,436			
	othr non-MP LDC:	Administrative Services	295,392			
		Subtotal	978,217			
2B. ADMISTRATIVE/WINDOW SERVICES -NDCS			14,674			
	75	Claims & Inquiries	1,674			
	othr non-MP LDC:	Administrative Services	13,001			
		Subtotal	14,674			
2C. ADMISTRATIVE/WINDOW SERVICES - nonMODS			1,748,495			
	IOCS	Administrative Services 2/	249,205			
	IOCS	Claims & Inquiries	2,288			
	IOCS	Window Services	1,497,002			
		Subtotal	1,748,495			
TOTAL COST SEGMENT 3			14,371,016			
Total MODS 1&2 Offices (incl ISCs)			9,711,413			
Total NDCs			832,175			
Total NonMODS Offices			3,827,428			

Footnotes

^{1/} The total LDC 48 cost is allocated to the four LDC 48 cost pools in proportion to IOCS tallies reporting LDC 48 MODS operations .

^{2/} All the non-mail processing clocking in/out costs are included in this category before being allocated to the non-mail processing functions.