

ROADMAP DOCUMENT FOR THE FY 2012 ANNUAL COMPLIANCE REPORT

Purpose: The purpose of this document is to help readers navigate the costs, revenues, rates, and service materials presented to the Postal Regulatory Commission by the Postal Service in its FY 2012 Annual Compliance Report (ACR).

Specifically, with respect to the series of associated items (each denominated as “USPS-FY12-x” or “USPS-FY12-NPx”), this document briefly describes the purpose of each item, the inputs to and outputs from that item, and any changes in methodology incorporated into that item. The intent is to allow the reader to understand the flow of information building to the summary data identified in the statute.

USPS-FY12-9 also includes a section covering data obsolescence, in response to Commission Rule 3050.12.

Predecessor: USPS-FY11-9.

Organization: USPS-FY12-9 is organized into three sections. Section I presents, generally on an item-by-item basis, a brief description of each set of materials. As applicable, this description includes, for items in the ACR, an indication of the sources of the inputs used, and an indication of the downstream materials that make use of the outputs. Section II identifies, again generally on an item-by-item basis, any material changes in methodology incorporated into preparation of the associated data. Section III presents information on data obsolescence, in response to Commission Rule 3050.12.

There are three relatively distinct major types of items included in the appended material. The first type is essentially the subclass/product costing material. The focus of these materials, in terms of the ultimate output, is the Cost and Revenue Analysis (CRA) report and International Cost and Revenue Analysis (ICRA) report. The second type is material relating to intra-product cost analyses, generally relating to workshare cost avoidances. The third type is billing determinant information, which sets forth the volume and calculated revenue for each rate cell of every mail product.

Note that the ACR materials are further divided into two broad categories, public information and the non-public annex. Items in the public version are labeled as “USPS-FY12-x.” Items in the non-public annex are labeled as “USPS-FY12-NPx.” The “NP” refers to Non-public. This roadmap includes descriptions and information regarding methodological changes related to both public and non-public items. Presentation of such information in this document, however, has no effect on the public or non-public status of the underlying set of materials.

**SECTION ONE: DESCRIPTION OF ITEMS
Public Information**

USPS-FY12-1

This item is entitled:

USPS-FY12-1 FY 2012 Public Cost and Revenue Analysis (PCRA) Report

USPS-FY12-1, FY 2012 Public Cost and Revenue Analysis (PCRA) summarizes attributable costs for the United States Postal Service’s main products. For market-dominant products, it presents product-specific costs, revenues, and volumes. For competitive products, it presents summary information.

Docket No: ACR-2011, USPS-FY11-1 is the most recent predecessor document. USPS- FY12-NP11: FY 2012 Non-Public Cost and Revenue Analysis (NPCRA) is the corresponding non-public document. The USPS-FY12-1, 2012 Public Cost and Revenue Analysis (PCRA) is a 8-page summary of domestic and international attributable costs by rate category, differing from the non-public version (USPS-FY12-NP14) by not presenting product-specific data for competitive products.

The following items found in this report are used as input/output to USPS-FY12-1:

Items in this Report Used as Input to USPS-FY12-1	
Item Number	Data/Information Used
USPS-FY12-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-NP13	<ul style="list-style-type: none"> FY 2012 CRA Model (Model Files, Cost Matrices, and Reports)
USPS-FY12-NP18	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Non-public Version)
USPS-FY12-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)
USPS-FY12-NP22	<ul style="list-style-type: none"> City Carrier Cost System (CCCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)
USPS-FY12-NP23	<ul style="list-style-type: none"> Rural Carrier Cost System (RCCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)
USPS-FY12-NP24	<ul style="list-style-type: none"> Transportation Cost Systems (TRACS) Statistical and Computer Documentation (Source Code and Data on CD Rom)

Items in this Report Utilizing Output from USPS-FY12-1

Item Number	Data/Information Provided
USPS-FY12-NP2	<ul style="list-style-type: none"> FY 2012 International Cost and Revenue Analysis (ICRA) report

USPS-FY12-2

This item is entitled:

USPS-FY12-2 FY 2012 Public Cost Segments and Components Report

USPS-FY12-2 is an output of the FY 2012 Cost and Revenue Analysis (CRA) Model that shows product attributable costs for 18 cost segments, including Postmasters, Supervisors, Clerks and Mail Handlers, In-Office City Carrier Activities, City Carrier and Rural Carrier Street Costs, and Purchased Transportation.

In the Postal Service’s FY 2011 Annual Compliance Report (ACR) filing (Docket No. ACR2011, December 29, 2011), this material was presented as USPS-FY11-2. A non-public version of this document is provided as USPS-FY12-NP12, FY 2012 Non-Public Cost Segments and Components Report.

The FY 2012 Public Cost Segments and Components Report is provided as an Excel workbook. It consists of a 48-page report that presents a summary of costs by mail category for all cost segment totals, followed by component-level detail within each segment. As it is intended for public distribution, it does not contain detail below the total level for the Postal Service’s Competitive products.

The following items found in this report are used as input/output to USPS-FY12-2:

Items in this Report Used as Input to USPS-FY12-2

Item Number	Data/Information Used
USPS-FY12-5	<ul style="list-style-type: none"> Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Reallocated Trial Balances)
USPS-FY12-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-8	<ul style="list-style-type: none"> Equipment and Facility Related Costs
USPS-FY12-31	<ul style="list-style-type: none"> FY 2012 CRA Model (Model Files,

	Cost Matrices, and Reports) (Public Version)
USPS-FY12-32	• FY 2012 CRA "B" Workpapers (Public Version)
USPS-FY12-37	• In-Office Cost System (IOCS) Statistical and Computer Documentation (Public Version)

Items in this Report Utilizing Output from USPS-FY12-2

Item Number	Data/Information Provided
USPS-FY12-NP4	• FY 2012 ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)

USPS-FY12-3

This item is entitled:

USPS-FY12-3 FY 2012 Discounts and Passthroughs of Workshare Items

USPS-FY12-3 reports worksharing discounts, cost avoidances and passthroughs for market dominant products for FY 2012.

Predecessor documents Docket No. ACR2011, USPS-FY11-3 and Annual Compliance Determination FY 2011, Chapter VII (March 28, 2012).

In addition to this Preface, USPS-FY12-3 includes an Excel workbook entitled FY12.3.Worksharing Discount Table_Final.xls. This workbook contains sixteen worksheets showing the benchmark pieces, discounts, cost differentials and passthroughs for each type of worksharing offered in FY 2012 for market dominant products. The following worksheets are included:

- FCM Single Piece Letters, Cards
- FCM Bulk Letters, Cards
- FCM Flats*
- Periodicals Outside County*
- Periodicals Bundle-Container Pricing*
- Periodicals Within County*
- Within County Worksheet*
- Standard Mail Letters
- Standard Mail Flats*
- Standard Mail Parcels & NFMs
- Standard Mail Carrier Route

Standard Mail HD-Sat Letters
 Standard Mail HD-Sat Flats - Parcels
 Media Mail & Library Mail
 Bound Printed Matter Flats
 Bound Printed Matter Parcels

USPS-FY12-3 also includes an Excel workbook entitled FY12.3Alternate.Worksharing Discount Table_Final.xls. This workbook contains six worksheets (those marked with an asterisk above) reflecting the pending methodological (carwash) changes filed with the Postal Regulatory Commission in Docket No. RM2012-8. The worksheets show the cost avoidances and passthroughs which would result should these proposed methodological changes be approved.

Discounts rely on prices from USPS Notice 123—Price List, effective June 24, 2012. Avoided cost estimates due to worksharing are developed from the following items found in this report:

Items in this Report Used as Input to USPS-FY12-3

Item Number	Data/Information Used
USPS-FY12-10	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY12-11	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY12-12	<ul style="list-style-type: none"> Standard Mail Hybrid/Parcel Cost Study
USPS-FY12-13	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY12-15	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Parcels Cost Models (Public Version)
USPS-FY12-16	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Bound Printed Matter Transportation Costs / Bulk Parcel Return Service Cost Study
USPS-FY12-19	<ul style="list-style-type: none"> FY 2012 Delivery Costs By Shape
USPS-FY12-21	<ul style="list-style-type: none"> FY 2012 QBRM and BRM Costs

USPS-FY12-4

This item is entitled:

USPS-FY12-4 FY 2012 Market Dominant Billing Determinants

USPS-FY12-4 contains the U.S. Postal Service billing determinants for domestic market dominant products for FY 2012. Billing determinants provide specific information regarding revenue and volume of postal products and services. Domestic Billing Determinants for FY 2011 were filed with the Postal Regulatory Commission as USPS-FY11-4. There is no corresponding non-public document for Market Dominant billing determinants.

Attachment USPS-FY12-4 consists of eleven Excel workbooks containing FY 2012 billing determinants for market dominant products. The following list indicates the contents of each workbook.

FY 2012 BPM.xls – Bound Printed Matter Billing Determinants
 FY 2012 FCM.xls – First-Class Mail Billing Determinants
 FY 2012 Free Blind.xls – Free for the Blind Billing Determinants
 FY 2012 Library Mail.xls – Library Mail Billing Determinants
 FY 2012 Media Mail.xls – Media Mail Billing Determinants
 FY 2012 Parcel Post BD.xls – Parcel Post Billing Determinants
 FY 2012 Periodicals.xls – Periodicals Billing Determinants
 FY 2012 PO Box.xls – P.O. Boxes Billing Determinants
 FY 2012 Special Services.xls – Special Services Billing Determinants
 FY 2012 Standard Mail.xls – Standard Mail Billing Determinants

Sub Folder “Supplemental Data” contains the quarterly billing determinants for those classes that have not historically included that level of detail.

The following items found in this report are used as input/output to USPS-FY12-4:

Items in this Report Utilizing Output from USPS-FY12-4

Item Number	Data/Information Provided
USPS-FY12-10	<ul style="list-style-type: none"> • FY 2012 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY12-11	<ul style="list-style-type: none"> • FY 2012 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model

USPS-FY12-12	<ul style="list-style-type: none"> Standard Mail Hybrid/Parcel Cost Study
USPS-FY12-13	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY12-15	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Parcels Cost Models (Public Version)
USPS-FY12-16	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Bound Printed Matter and Parcel Post Transportation Costs / Bulk Parcel Return Service Cost Study (Public Version)
USPS-FY12-17	<ul style="list-style-type: none"> 2009 Comprehensive Statement of Postal Operations
USPS-FY12-18	<ul style="list-style-type: none"> FY 2012 ECR Mail Processing Unit Costs
USPS-FY12-19	<ul style="list-style-type: none"> FY 2012 Delivery Costs By Shape

USPS-FY12-5

This item is entitled:

USPS-FY12-5 Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Reallocated Trial Balances)

The Fiscal Year 2012 Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Public Version) is an Excel workbook that adjusts amounts reflected in the September 2012 general ledger for year-end audit adjustments. This results in amounts that underlie the September 30 year-end financial statements. This workbook also reallocates year-end labor contract and performance award accruals back to the appropriate labor sub-account and breaks out cost component expenses not available directly from a general ledger account but obtained from another source such as a unique finance number or a subsidiary reporting system. Because this workbook is intended for public distribution, certain account information that pertains to competitive products has been redacted.

USPS-FY12-5, the Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Public Version), is provided as an Excel workbook.

This material was provided as USPS-FY11-5 for the FY 2011 Annual Compliance Report filing (Docket No. ACR2011, December 29, 2011). A non-public version of this document is provided as USPS-FY12-NP29, Fiscal Year 2012 Cost

Segments and Components Reconciliation to Financial Statements and Account Reallocations (Non-Public Version).

The Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Public Version) is generated from general ledger data that are downloaded from the Postal Service’s mainframe Accounting systems. General ledger accounts are sorted and grouped so that they correspond to the Cost and Revenue Analysis (CRA) Model’s cost segments and components.

Revenue and cost data from USPS-FY12-5 are input to the CRA Model, which is documented in USPS-FY12-31 (public) and USPS-FY12-NP13 (non-public).

The following items found in this report are used as input/output to USPS-FY12-5:

Items in this Report Utilizing Output from USPS-FY12-5

Item Number	Data/Information Provided
USPS-FY12-NP13	<ul style="list-style-type: none"> <li data-bbox="690 972 1185 1041">FY 2012 CRA Model (Model Files, Cost Matrices, and Reports)
USPS-FY12-31	<ul style="list-style-type: none"> <li data-bbox="690 1041 1185 1138">FY 2012 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)

USPS-FY12-6

This item is entitled:

USPS-FY12-6 General Classification of Accounts

USPS-FY12-6, General Classification of Accounts, identifies the different types of General Ledger accounts, lists the account numbers, and provides a brief description of each account. It is provided as general background information of a type specifically sought previously, but is not otherwise directly relied upon by the Postal Service in this filing.

In Docket Nos. ACR2011, ACR2010, ACR2009 and ACR2008, this was submitted as USPS-FY11-6, USPS-FY10-6, USPS-FY09-6 and USPS-FY08-6, and in Docket No. ACR2007, it was submitted as CIR.1.Q.21.Class.Accounts.xls, filed on February 1, 2008, in response to Commission Information Request No. 1,

Question 21. Previously, this type of information appeared in Handbook F-8, the USPS Chart of Accounts.

Since USPS-FY12-6 merely lists and describes accounts, while containing no actual account data, it neither relies on inputs from any other items in this docket, nor generates outputs which are used as inputs to any other items in the is docket.

USPS-FY012-6 consists of a Preface document (Word), and one Excel file, FY12.6.F.8.xls.

USPS-FY12-7

This item is entitled:

USPS-FY12-7 Cost Segment 3 Cost Pools and Other Related Information

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.

The predecessor document is USPS-FY11-7 in Docket No. ACR2011. 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 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 consists of an Excel Workbook with eight 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.

The following items in this report are used as input/output to USPS-FY12-7:

Items in this Report Used as Input to USPS-FY12-7

Item Number	Data/Information Used
USPS-FY12-23	<ul style="list-style-type: none"> MODS Productivity Data
USPS-FY12-NP2	<ul style="list-style-type: none"> FY 2012 International Cost and Revenue Analysis (ICRA) report (Hard Copy & Excel)
USPS-FY12-37	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Public Version)
USPS-FY12-42	<ul style="list-style-type: none"> Revenues, Pieces, & Weight (Public Version)

Items in this Report Utilizing Output from USPS-FY12-7

Item Number	Data/Information Provided
USPS-FY12-2	<ul style="list-style-type: none"> FY 2012 Public Cost Segments and Components
USPS-FY12-8	<ul style="list-style-type: none"> Equipment and Facility Related Costs
USPS-FY12-10	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY12-11	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY12-12	<ul style="list-style-type: none"> Standard Mail Hybrid/Parcel Cost Study
USPS-FY12-13	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Drop Ship Cost

	Avoidances for Periodicals and Standard Mail
USPS-FY12-15	• FY 2012 Special Cost Studies Workpapers - Parcels Cost Models (Public Version)
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 Version)
USPS-FY12-28	• FY 2012 Special Cost Studies Workpapers – Special Services
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)

USPS-FY12-8

This item is entitled:

USPS-FY12-8 Equipment and Facility Related Costs

The primary purpose of USPS-FY12-8 is to provide inputs to determine the volume variable equipment and facility-related costs by subclass for the CRA. USPS-FY12-8 also provides inputs for the calculation of cost pool and operations specific piggyback factors in USPS-FY12-25.

The CRA equipment-related costs are equipment depreciation (component 20.1), interest expense (component 20.5), maintenance labor (component 11.2), and parts & supplies (component 16.3.2). USPS-FY12-8 provides these costs by 25 cost pools defined by equipment type, using data from Postal Service accounting and engineering records. For each cost pool, costs are related to subclass through distribution keys indicated for each pool. Inputs are also provided to the CRA to calculate the distribution key to apportion costs for Intelligent Mail Devices (IMDs) Scanners.

The CRA facility-related costs are for space provision and space support. The space provision costs are rents (component 15.1), depreciation (component 20.3) and interest (component 20.5). The space support costs are fuel and utilities (component 15.2), custodial services labor (component 11.1), contract cleaners (component 11.1.2), building equipment maintenance labor (component

11.3), custodial supplies and services (component 16.3.1) and building security (component 18.1.2). These costs are divided into cost pools (or by activity) based on the FY 2012 estimates of square feet and rents by operation. These estimates are based on the FY1999 facility survey, updated using information on equipment deployments since FY1999. USPS-FY12-8 also provides a description of the variabilities and distribution keys for these cost pools.

Docket No. R2006-1, USPS-LR-L-54 and Docket ACR, FY 2011, USPS-FY11-8. There is no corresponding non-public document.

The following items found in this report are used as input/output to USPS-FY12-8:

Items in this Report Used as Input to USPS-FY12-8

Item Number	Data/Information Used
USPS-FY12-5	<ul style="list-style-type: none"> Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Reallocated Trial Balances)
USPS-FY12-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-28	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers – Special Services (Public Version)

Items in this Report Utilizing Output from USPS-FY12-8

Item Number	Data/Information Provided
USPS-FY12-25	<ul style="list-style-type: none"> FY 2012 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY12-31	<ul style="list-style-type: none"> FY 2012 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY12-NP13	<ul style="list-style-type: none"> FY 2012 CRA Model (Model Files, Cost Matrices, and Reports)

Results for USPS-FY12-8 can be found in the following workbooks. Each workbook contains an overview of its contents:

CRA FACILITY RELATED COST FACTORS,
 VARIABILITIES & DISTRIBUTIONFCILTY12.XLS

CRA PROCESSING AND OTHER EQUIPMENT MAINTENANCE, PARTS AND SUPPLIES
COSTS: FACTORS & DISTRIBUTIONFY12equip.XLS

CRA PROCESSING AND OTHER EQUIPMENT CAPITAL COSTS: FACTORS &
DISTRIBUTION.....FY12equip.XLS

CRA INPUTS FOR IMD SCANNER DISTRIBUTION
KEYFY12.IMD.SCANNER.KEY.INPUT.XLS

USPS-FY12-9

This item is entitled:

USPS-FY12-9 ACR Roadmap Document

The purpose of this Roadmap to the Postal Service’s FY 2012 Annual Compliance Report is to present the subject matter of each item, explain the interrelationship between items, and to describe changes in technical methodologies.

This item consolidates in one place a brief description of each of the items provided, as well as the flow of inputs and outputs between items. It includes a discussion of any methodology changes between the FY 2012 analyses included in this presentation, and the Commission’s methodologies in their Annual Compliance Determination of the U. S. Postal Service for Fiscal Year 2011, or, if applicable, the methodologies used by the Postal Service under Docket No. ACR2011.

The predecessor document to this item is Docket No. ACR2011, USPS-FY11-9.

USPS-FY12-10

This item is entitled:

USPS-FY12-10 FY 2012 Special Cost Studies Workpapers - Letter
Cost Models (First and Standard)

USPS-FY12-10 documents the First-Class Mail presort letters and cards mail processing unit cost estimates and worksharing-related savings estimates, and the Standard Mail presort letters mail processing unit cost estimates.

Predecessor documents include Docket Nos. R2006-1, PRC-LR-12 (First-Class Mail) and PRC-LR-15 (Standard Mail); ACR2007 thru ACR2011, USPS-FY11-10; Docket No. RM2011-5, Order No. 741; Docket No. RM2011-12, Order No. 920; Docket No. RM2012-1, Proposal Twelve, Order No. 1153; Docket No. RM2012-2, Proposal Nineteen, Order No. 1383; and Docket No. RM2010-13, Order No. 1320. There is no corresponding non-public document to USPS-FY12-10.

In addition to a preface, USPS-FY12-10 includes two MS Excel workbooks. The workbook USPS-FY12-10.FCM.LTRS.xls contains the First-Class Mail presort letters and cards mail processing unit cost estimates and the First-Class Mail Presort letters and cards worksharing-related savings estimates by price category. These estimates are developed using ACR2011 methodology with enhancements made following Order No. 1320 (Docket No. RM2010-13) methodology. The workbook USPS-FY12-10.STD.LTRS.xls contains the Standard Mail presort letters mail processing unit cost estimates by price category. These estimates are developed using the ACR2011 methodology.

The following items found in this report are used as input/output to USPS-FY12-10:

Items in this Report Used as Input to USPS-FY12-10

Item Number	Data/Information Used
USPS-FY12-7	• Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-14	• Mail Characteristics Study (Public Version)
USPS-FY12-19	• FY 2012 Delivery Costs By Shape
USPS-FY12-23	• MODS Productivity Data
USPS-FY12-24	• FY 2012 Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY12-25	• FY 2012 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY12-26	• FY 2012 Mail Processing Costs by Shape (Public Version)

Items in this Report Utilizing Output from USPS-FY12-10

Item Number	Data/Information Provided
USPS-FY12-3	• FY 2012 Discounts and Passthroughs of Workshare Items
USPS-FY12-19	• FY 2012 Delivery Costs By Shape
USPS-FY12-21	• FY 2012 QBRM and BRM Costs
USPS-FY12-30	• FY 2012 Market Dominant NSA Materials

USPS-FY12-11

This item is entitled:

USPS-FY12-11 FY 2012 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model

USPS-FY12-11 documents the development of the FY 2012 mail processing unit cost estimates for First-Class Mail Presort flats, Periodicals Outside-County flats, and Standard Mail flats. There are no non-public documents associated with USPS-FY12-11.

Predecessor documents include:

First-Class Mail model: Rev_FCM.Psrt.Flats.with.NDC.xls (Order No. 1383 in Docket No. RM2012-2);

Periodicals model: Rev_PER.OC.Flats.with.NDC.Alt.xls (Order No. 1383 in Docket No. RM2012-2) and;

Standard Mail model: Rev_Std.Flats.MP.with.NDC.xls (Order No. 1383 in Docket No. RM2012-2)

The USPS-FY12-11 workpapers consist of six separate Microsoft Office Excel workbooks, two each for the First-Class Mail Presort, Standard Mail, and Periodicals Outside-County model cost estimates.

The following items found in this report are used as input/output to USPS-FY12-11:

Items in this Report Used as Input to USPS-FY12-11

Item Number	Data/Information Used
USPS-FY12-7	• Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-14	• Mail Characteristics Study (Public)

Version)	
USPS-FY12-23	• MODS Productivity Data
USPS-FY12-25	• FY 2012 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY12-26	• FY 2012 Mail Processing Costs by Shape (Public Version)

Items in this Report Utilizing Output from USPS-FY12-11

Item Number	Data/Information Provided
USPS-FY12-3	• FY 2012 Discounts and Passthroughs of Workshare Items
USPS-FY12-30	• FY 2012 Market Dominant NSA Materials

USPS-FY12-12

This item is entitled:

USPS-FY12-12 Standard Mail Parcel/ Not Flat-Machinable Cost Study

USPS-FY12-12 documents the mail processing unit cost estimates for Standard Mail machinable, irregular, and not flat-machinable (NFM) / marketing parcels. The Standard Mail cost estimate outputs are relied upon to develop the discounts and passthrough values contained in USPS-FY12-3.

The most recent predecessor document is Docket No. ACR2011, USPS-FY11-12. There is no corresponding non-public document to USPS-FY12-12.

The Standard Mail parcel and NFM cost estimates are presented in the Microsoft Excel workbook ‘USPS-FY-12-12.xls’ in the spreadsheet tab entitled ‘MP Summary’ (page 1). Data sources are referenced in each spreadsheet throughout the workbook.

The following items found in this report are used as input/output to USPS-FY12-12:

Items in this Report Used as Input to USPS-FY12-12

Item Number	Data/Information Used
USPS-FY12-4	• FY 2012 Market Dominant Billing Determinants
USPS-FY12-7	• Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-14	• Mail Characteristics Study (Public Version)

USPS-FY12-23	• MODS Productivity Data
USPS-FY12-25	• FY 2012 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY12-26	• FY 2012 Mail Processing Costs by Shape (Public Version)

Items in this Report Utilizing Output from USPS-FY12-12

Item Number	Data/Information Provided
USPS-FY12-3	• FY 2012 Discounts and Passthroughs of Workshare Items

USPS-FY12-13

This item is entitled:

USPS-FY12-13 FY 2012 Special Cost Studies Workpapers - DropShip Cost Avoidances for Periodicals and Standard Mail

USPS-FY12-13 documents the destination entry cost avoidance estimates for Standard Mail and Periodicals.

Docket No. ACR2011, USPS-FY11-13 is the predecessor document.. There is no non-public document that corresponds to USPS-FY12-13.

The Standard Mail cost avoidance outputs are relied upon to develop the discounts and passthrough values contained in USPS-FY12-3. They are also used to develop the enhanced carrier route (ECR) cost estimates contained in USPS-FY12-18. The Standard Mail transportation and non-transportation cost avoidance estimates by shape are presented in the Microsoft Excel workbooks 'USPS-FY12-13.STD_TOTAL.xls,' 'USPS-FY12-13.STD_LETTERS.xls,' and 'USPS-FY12-13.STD_FLATS.xls' . The results are contained in the 'Summary All Shapes' worksheet in the first workbook (page 1). Data sources are referenced in each spreadsheet throughout the workbook.

The Periodicals non-transportation cost avoidance estimates are presented in the Microsoft Excel workbook 'USPS-FY12-13.PER.xls' in the 'Summary' worksheet (page 113). Data sources are referenced in each spreadsheet throughout the workbook. The Periodicals cost avoidance outputs are relied upon to develop the discounts and passthrough values contained in USPS-FY12-3.

The following items found in this report are used as input/output to USPS-FY12-13:

Items in this Report Used as Input to USPS-FY12-13

Item Number	Data/Information Used
USPS-FY12-1	• FY 2012 Public Cost and Revenue Analysis (PCRA)
USPS-FY12-7	• Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-14	• Mail Characteristics Study
USPS-FY12-23	• MODS Productivity Data
USPS-FY12-24	• FY 2012 Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY12-25	• FY 2012 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY12-32	• FY 2012 CRA "B" Workpapers (Public Version)

Items in this Report Utilizing Output from USPS-FY12-13

Item Number	Data/Information Provided
USPS-FY12-3	• FY 2012 Discounts and Passthroughs of Workshare Items
USPS-FY12-18	• FY 2012 ECR Mail Processing Unit Costs

USPS-FY12-14

This item is entitled:

USPS-FY12-14 Mail Characteristics Study (Public Version)

USPS-FY12-14 documents the development of a number of volume and parameter estimates used in the preparation of the 2012 ACR. The section titled "RPW by Shape and Indicia" describes the development of revenue, piece and weight estimates by shape and indicia. Standard Mail and First-Class Mail estimates by weight increment are also developed. The "Mail Characteristics" section describes the development of preparation and entry characteristics for Standard Mail flats and letters, and for Periodicals flats. The re-calibration of the First-Class Mail Characteristics Study (Docket No. R2006-1, LR-L-32) is also described in the "Mail Characteristics" section.

Predecessor Documents include USPS-FY11-14, Docket No. ACR 2011 USPS-FY10-14, USPS-FY09-14 in Docket No. ACR2009, USPS-FY08-14 in Docket No.

ACR2008, USPS-FY07-14 filed in Docket No. ACR2007, and Docket No. R2001-1, USPS-LR-J-63 for Density Study. The corresponding Non-Public document is USPS-FY12-NP25.

The tables of the characteristics estimates are presented in electronic version in Microsoft Office Excel workbook 'MAILCHAR12V.xls'. The estimates of RPW by shape and indicia are presented in the Microsoft Office Excel workbook "Shape Indicia FY 2012rV.xls". The coverage factor and results are provided in the workbook "Coverage Factors 12.xls". The programs and workbooks used to estimate these volumes are described in the Program Documentation.

The following items found in this report are used as input/output to USPS-FY12-14:

Items in this Report Utilizing Output from USPS-FY12-14

Item Number	Data/Information Provided
USPS-FY12-10	<ul style="list-style-type: none"> <li data-bbox="678 972 1193 1068">FY 2012 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY12-11	<ul style="list-style-type: none"> <li data-bbox="678 1068 1193 1194">FY 2012 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY12-13	<ul style="list-style-type: none"> <li data-bbox="678 1194 1193 1323">FY 2012 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail

USPS-FY12-15

This item is entitled:

USPS-FY12-15 FY 2012 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model / Media Mail – Library Mail Processing Cost Model

USPS-FY12-15 documents the mail processing and delivery cost estimates for Bound Printed Matter and the mail processing cost estimates for Media Mail - Library Mail.

Predecessor documents include Docket No. ACR2011, USPS-FY11-15 and Docket No. RM2012-1, Order No. 1153. There is no non-public document that corresponds to USPS-FY12-15.

The Bound Printed Matter and Media Mail / Library Mail cost estimate outputs are relied upon to develop the discounts and passthrough values contained in USPS-FY12-3. The Media Mail / Library Mail weighted average model cost, proportional adjustment factor and fixed adjustment factor are also relied upon in the Bulk Parcel Return Service (BPRS) cost study contained in USPS-FY12-16.

The Bound Printed Matter cost model results are presented in the Microsoft Excel workbook 'USPS-FY12-15.BPM.xls' in the spreadsheet tab entitled 'Summary,' page 1 USPS-FY12-15. The Media Mail / Library Mail cost estimates are presented in the Microsoft Excel workbook 'USPS-FY12-15.MM-LM.xls' in the spreadsheet tab entitled 'Summary' (page 13). Data sources are referenced in each spreadsheet throughout the workbook.

The following items found in this report are used as input/output to USPS-FY12-15:

Items in this Report Used as Input to USPS-FY12-15

Item Number	Data/Information Used
USPS-FY12-1	• FY 2012 Public Cost and Revenue Analysis (PCRA) Report
USPS-FY12-2	• FY 2012 Public Cost Segments and Components
USPS-FY12-4	• FY 2012 Market Dominant Billing Determinants
USPS-FY12-7	• Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-22	• FY 2012 Bound Printed Matter Mail Processing Costs and Parcel Post Window Service Costs
USPS-FY12-23	• MODS Productivity Data
USPS-FY12-24	• FY 2012 Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY12-25	• FY 2012 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY12-26	• FY 2012 Mail Processing Costs by Shape (Public Version)
USPS-FY12-36	• Transportation Cost Systems (TRACS) Statistical and Computer Documentation (Public Version)

Items in this Report Utilizing Output from USPS-FY12-15

Item Number	Data/Information Provided
USPS-FY12-3	<ul style="list-style-type: none"> FY 2012 Discounts and Passthroughs of Workshare Items
USPS-FY12-16	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Bound Printed Matter Transportation Costs / Bulk Parcel Return Service Cost Study

USPS-FY12-16

This item is entitled:

USPS-FY12-16 FY 2012 Special Cost Studies Workpapers - Bound Printed Matter Transportation Costs / Bulk Parcel Return Service Cost Study (Public Version)

USPS-FY12-16 documents the Bound Printed Matter transportation cost estimates and the Bulk Parcel Return Service cost estimates.

Docket No. ACR2011, USPS-FY11-16 is the Predecessor Document. There is no non-public document that corresponds to USPS-FY12-16.

The Bound Printed Matter aggregate, flats, and parcels transportation cost estimates are presented in the Microsoft Excel workbooks 'USPS-FY12-16.BPM_TOTAL.xls,' 'USPS-FY12-16.BPM_FLATS.xls,' and 'USPS-FY12-16.BPM_PARCELS.xls' in the 'Cost-Sum' spreadsheets on pages 1, 8, and 15, respectively, of USPS-FY12-16. Data sources are referenced in each spreadsheet throughout the workbook.

The following items found in this report are used as input/output to USPS-FY12-16:

Items in this Report Used as Input to USPS-FY12-16

Item Number	Data/Information Used
USPS-FY12-1	<ul style="list-style-type: none"> FY 2012 Public Cost and Revenue Analysis (PCRA) Report
USPS-FY12-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Version)

USPS-FY12-13	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY12-15	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Parcels Cost Models (Public Version)
USPS-FY12-23	<ul style="list-style-type: none"> MODS Productivity Data
USPS-FY12-24	<ul style="list-style-type: none"> FY 2012 Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY12-25	<ul style="list-style-type: none"> FY 2012 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY12-32	<ul style="list-style-type: none"> FY 2012 CRA "B" Workpapers (Public Version)
USPS-FY12-36	<ul style="list-style-type: none"> Transportation Cost Systems (TRACS) Statistical and Computer Documentation (Public Version)

Items in this Report Utilizing Output from USPS-FY12-16

Item Number	Data/Information Provided
USPS-FY12-3	<ul style="list-style-type: none"> FY 2012 Discounts and Passthroughs of Workshare Items

USPS-FY12-17

This item is entitled:

USPS-FY12-17 FY 2012 Comprehensive Statement of Postal Operations

The Postal Service publishes a number of reports that are responsive to different legislative requirements. They provide stakeholders with an accounting of our activities and results. To avoid duplication and improve consistency, our Annual Report to Congress, the Comprehensive Statement on Postal Operations, and our Annual Performance Report and Plan are combined in a single document. USPS-FY12-17 is a selection from the Annual Report to Congress and consists of the FY 2012 Comprehensive Statement on Postal Operations, which also contains the Annual Performance Report and Plan.

Since this item is provided as general background information, it is not directly relied upon by the Postal Service in this filing.

USPS-FY12-18

This item is entitled:

USPS-FY12-18 FY 2012 ECR Mail Processing Unit Costs

USPS-FY12-18 documents the development of mail processing unit costs by shape for Standard Mail ECR rate categories. It contains printed and electronic documentation of the spreadsheets and programs used to develop these costs.

Predecessor documents include Docket No. R2006-1, USPS-LR-L-107 and Docket Nos. ACR2007 thru ACR2011, USPS-FY11-18. There is no corresponding non-public document.

The main results are presented in the Microsoft Office Excel workbook 'FY12 ECR Unit Costs.xls' in the spreadsheet 'Results.' Data sources are referenced in each spreadsheet in workbook 'FY12 ECR Unit Costs.xls.' The programs and workbooks used to estimate these costs are described in the Program Documentation section.

The following items found in this report are used as input/output to USPS-FY12-18:

Items in this Report Used as Input to USPS-FY12-18

Item Number	Data/Information Used
USPS-FY12-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-13	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY12-14	<ul style="list-style-type: none"> Mail Characteristics Study (Public Version)
USPS-FY12-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Non-public Version) (Source Code and Data on CD-ROM)
USPS-FY12-26	<ul style="list-style-type: none"> FY 2012 Mail Processing Costs by Shape (Public Version)

Items in this Report Utilizing Output from USPS-FY12-18

Item Number	Data/Information Provided
USPS-FY12-3	<ul style="list-style-type: none"> <li data-bbox="667 254 1175 312">FY 2012 Discounts and Passthroughs of Workshare Items

USPS-FY12-19

This item is entitled:

USPS-FY12-19 FY 2012 Delivery Costs By Shape

USPS-FY12-19 documents the development of FY 2012 delivery costs by rate category for First-Class, Periodicals, Standard, Bound Printed Matter, and Media Mail.

Predecessor documents include In Docket No. ACR2011, PRC-ACR2011-LR6-FY2011 and USPS-FY11-19. There is no corresponding non-public document to USPS-FY12-19.

USPS-FY12-19 contains six Excel workbooks and three SAS log files. The three Excel workbooks titled KLTable12_Casing, KLTable12._All, and KLTable12_FCSP_Collection_Cost_By_Indicia, are outputs from running the respective SAS programs against the IOCS CARM data file which is contained in USPS-12-37. These workbooks provide casing only costs, 6.1 direct labor costs, and First Class Single Piece collection costs by indicia by route grouping (letter, SPR, and other) by rate category. The workbook UDCInputs12.xls consists of the necessary cost and volume inputs. The workbook VolAdj12.xls contains all of the volume adjustments that are part of the established methodology. Lastly, the workbook UDCModel12.xls takes the inputs and volume adjustments and performs the calculations to get the final required unit

delivery and collection costs by rate category, including the calculations needed because of the 'D Report Adjustment' for rate categories within the product High Density and Saturation. These calculations are included in worksheet '1a.DAdjustment.' Documentation of the content of each worksheet within the UDCInputs12, UDCVolAdj12, and UDCModel12 workbooks is included in the worksheet called 'NOTES' within each of the three workbooks.

The following items found in this report are used as input/output to USPS-FY12-19:

Items in this Report Used as Input to USPS-FY12-19

Item Number	Data/Information Used
USPS-FY12-10	<ul style="list-style-type: none"> <li data-bbox="683 1056 1159 1142">FY 2012 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY12-14	<ul style="list-style-type: none"> <li data-bbox="683 1152 1138 1209">Mail Characteristics Study (Public Version)
USPS-FY12-24	<ul style="list-style-type: none"> <li data-bbox="683 1220 1159 1276">FY 2012 Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY12-32	<ul style="list-style-type: none"> <li data-bbox="683 1287 1097 1344">FY 2012 CRA "B" Workpapers (Public Version)
USPS-FY12-34	<ul style="list-style-type: none"> <li data-bbox="683 1354 1130 1440">City Carrier Cost System (CCCS) Statistical and Computer Documentation (Public Version)
USPS-FY12-35	<ul style="list-style-type: none"> <li data-bbox="683 1451 1146 1537">Rural Carrier Cost System (RCCS) Statistical and Computer Documentation (Public Version)
USPS-FY12-37	<ul style="list-style-type: none"> <li data-bbox="683 1547 1114 1623">In-Office Cost System (IOCS) Statistical and Computer Documentation (Public Version)

Items in this Report Utilizing Output from USPS-FY12-19

Item Number	Data/Information Provided
USPS-FY12-3	<ul style="list-style-type: none"> <li data-bbox="683 1835 1138 1890">FY 2012 Discounts and Passthroughs of Workshare Items

USPS-FY12-10	• FY 2012 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY12-27	• FY 2012 Nonprofit Mail Cost Approximations
USPS-FY12-30	• FY 2012 Market Dominant NSA Materials

USPS-FY12-20

This item is entitled:

USPS-FY12-20 FY 2012 Window Service Cost by Shape

USPS-FY12-20 documents the development of window service volume-variable costs by shape for market dominant Presorted First-Class Mail, Standard Mail Regular, and Standard Mail ECR. It contains printed and electronic documentation of the spreadsheets and programs used to develop these costs.

Predecessor documents include 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, and most recently Docket No. ACR 2011, USPS-FY11-20. There is no corresponding non-public document.

The main results are presented in the Microsoft Office Excel workbook 'FY12 Window Service Costs.xls' in the spreadsheet 'FY12 Adj Costs.' Data sources are referenced in each spreadsheet in the Microsoft Office Excel workbook 'FY12 Window Service Costs.xls.' The programs and workbooks used to estimate these costs are described in the Program Documentation.

The following items found in this report are used as input/output to USPS-FY12-20:

Items in this Report Used as Input to USPS-FY12-20

Item Number	Data/Information Used
USPS-FY12-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Non-public Version) (Source Code and Data on CD-ROM)
USPS-FY12-24	<ul style="list-style-type: none"> FY 2012 Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY12-26	<ul style="list-style-type: none"> FY 2012 Mail Processing Costs by Shape (Public Version)

USPS-FY12-21

This item is entitled:

USPS-FY12-21 FY 2012 QBRM and BRM Costs

USPS-FY12-21 documents the worksharing-related savings estimate for QBRM letters and cards and the Business Reply Mail Fee cost estimates.

Docket No. RM2012-2, Order No. 1383 is the predecessor document. There is no non-public document that corresponds to USPS-FY12-21.

The Qualified Business Reply Mail cost avoidance estimate is 1.688 cents and is presented in the Microsoft Excel workbook 'USPS-FY12-21.xls' in the spreadsheet tab entitled 'QBRM COST AVOIDANCE SUMMARY' (Section A, page 1). The Business Reply Mail fee cost estimates are presented in the Microsoft Excel workbook 'USPS-FY12-21.xls' in the spreadsheet tab entitled 'BRM FEES SUMMARY' (Section B, page 1). Data sources are referenced in each spreadsheet throughout the workbook.

The following items found in this report are used as input/output to USPS-FY12-21:

Items in this Report Used as Input to USPS-FY12-21

Item Number	Data/Information Used
USPS-FY12-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Version)

USPS-FY12-10	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY12-23	<ul style="list-style-type: none"> MODS Productivity Data
USPS-FY12-24	<ul style="list-style-type: none"> FY 2012 Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY12-25	<ul style="list-style-type: none"> FY 2012 Mail Processing Piggyback Factors (Operation Specific)

Items in this Report Utilizing Output from USPS-FY12-21

Item Number	Data/Information Provided
USPS-FY12-3	<ul style="list-style-type: none"> FY 2012 Discounts and Passthroughs of Workshare Items

USPS-FY12-22

This item is entitled:

USPS-FY12-22 FY 2012 Bound Printed Matter Mail Processing Costs

USPS-FY12-22 documents the development of mail processing costs for Bound Printed Matter. It contains printed and electronic documentation of the spreadsheets and programs used to develop these costs.

Predecessor documents include Docket No. R2006-1, USPS-LR-L-109, Docket No. ACR2007, USPS-FY07-22, Docket No. ACR2008, USPS-FY08-22, Docket No. ACR2009, USPS-FY09-22, Docket No. ACR2010, USPS-FY10-22, and most recently in Docket No. ACR2011, USPS-FY11-22. There is no corresponding non-public document.

The following items found in this report are used as input/output to USPS-FY12-22:

Items in this Report Used as Input to USPS-FY12-22

Item Number	Data/Information Used
USPS-FY12-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Non-public Version)

	(Source Code and Data on CD-ROM)
USPS-FY12-26	• FY 2012 Mail Processing Costs by Shape (Public Version)

Items in this Report Utilizing Output from USPS-FY12-22

Item Number	Data/Information Provided
USPS-FY12-15	• FY 2012 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model/Media Mail – Library Mail Processing Cost Model

USPS-FY12-23

This item is entitled:

USPS-FY12-23 MODS Productivity Data

USPS-FY12-23 provides FY12 productivity data for selected operations at plants, Network Distribution Centers (NDCs, formerly Bulk Mail Centers or BMCs), and Remote Encoding Centers (RECs).

Predecessor documents include Docket No. R2006-1, USPS-LR-L-56, Part III, Docket No. ACR2007, USPS-FY07-23, Docket No. ACR2008, USPS-FY08-23, Docket No. ACR2009, USPS-FY09-23, Docket No. ACR2010, USPS-FY10-23, and most recently Docket No. ACR2011, USPS-FY11-23. There is no corresponding non-public document.

The main results are presented in the Microsoft Office Excel workbooks 'YRScrub2012.xls', 'NDCscrub2012.xls', 'RECProds.xls', and 'CSBCS2012.xls'.

The following items found in this report are used as input/output to USPS-FY12-23:

Items in this Report Utilizing Output from USPS-FY12-23

Item Number	Data/Information Provided
USPS-FY12-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-10	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY12-11	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY12-15	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Parcels Cost Models (Public Version)

USPS-FY12-24

This item is entitled:

USPS-FY12-24 FY 2012 Non-Operation Specific Piggyback Factors (Public Version)

USPS-FY12-24 documents development of the piggyback factors for major functions (e.g., mail processing, window service, city delivery, rural delivery, vehicle service drivers, and postmasters) for each Market Dominant product for FY 2012. Piggyback factors are employed in cost studies to augment labor cost estimates for the major functions by adding the costs associated with supervisors and administration, service-wide benefits, along with facility-related and equipment-related costs.

Predecessor documents include Docket No. R2006-1, USPS-LR-L-98, parts I and II; and Docket No. ACR2011, USPS-FY11-24. USPS-FY12-NP19 is the corresponding non-public document.

USPS-FY12-24 documents development of the piggyback factors for major functions (e.g., mail processing, window service, city delivery, rural delivery, vehicle service drivers, and postmasters) for each Market Dominant product for FY 2012. Piggyback factors are employed in cost studies to augment labor cost estimates for the major functions by adding the costs associated with supervisors and administration, service-wide benefits, along with facility-related and equipment-related costs.

Predecessor documents include Docket No. R2006-1 USPS-LR-L-98, parts I and II, and Docket No. ACR2011, USPS-FY11-24. The corresponding non-public document is USPS-FY12-NP19 which contains the piggyback factors for all classes and subclasses and also links to the CRA model output.

Results can be seen in the Microsoft Office Excel workbook FY12Public.PB.xls.

The following items found in this report are used as input/output to USPS-FY12-24:

Items in this Report Used as Input to USPS-FY12-24

Item Number	Data/Information Used
USPS-FY12-31	<ul style="list-style-type: none"> FY 2012 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)

Items in this Report Utilizing Output from USPS-FY12-24

Item Number	Data/Information Provided
USPS-FY12-10	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY12-11	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY12-12	<ul style="list-style-type: none"> Standard Mail Hybrid/Parcel Cost Study
USPS-FY12-13	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY12-15	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Parcels Cost Models (Public Version)
USPS-FY12-16	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Bound Printed Matter and Parcel Post Transportation Costs / Bulk Parcel Return Service Cost Study (Public Version)
USPS-FY12-18	<ul style="list-style-type: none"> FY 2012 ECR Mail Processing Unit

Costs	
USPS-FY12-19	• FY 2012 Delivery Costs By Shape
USPS-FY12-20	• FY 2012 Window Service Cost by Shape
USPS-FY12-21	• FY 2012 QBRM and BRM Costs
USPS-FY12-22	• FY 2012 Bound Printed Matter Mail Processing Costs
USPS-FY12-25	• FY 2012 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY12-26	• FY 2012 Mail Processing Costs by Shape (Public Version)
USPS-FY12-28	• FY 2012 Special Cost Studies Workpapers – Special Services
USPS-FY12-NP10	• FY 2012 ICM Data
USPS-FY12-NP26	• FY 2012 Special Cost Studies Workpapers – Special Services (Non-public Version)

USPS-FY12-25

This item is entitled:

USPS-FY12-25 FY 2012 Mail Processing Piggyback Factors
(Operation Specific)

USPS-FY12-25 documents development of the mail processing cost pool piggyback factors and operation specific mail processing piggyback factors. Piggyback factors are employed in cost studies to augment labor cost estimates for the major functions by adding the costs associated with supervisors and administration, service-wide benefits, and facility-related and equipment-related costs.

Predecessor documents are Docket No. R2006-1, USPS-LR-L-98, parts III and IV and Docket No. ACR2011, USPS-FY11-25. There is no corresponding non-public document. Result can be seen in the Microsoft Office Excel workbook MPPGBY12PRC.XLS.

The following items found in this report are used as input/output to USPS-FY12-25:

Items in this Report Used as Input to USPS-FY12-25

Item Number	Data/Information Used
USPS-FY12-7	• Cost Segment 3 Cost Pools & Other Related Information (Public Version)

USPS-FY12-8	<ul style="list-style-type: none"> Equipment and Facility Related Costs
USPS-FY12-23	<ul style="list-style-type: none"> MODS Productivity Data
USPS-FY12-24	<ul style="list-style-type: none"> FY 2012 Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY12-31	<ul style="list-style-type: none"> FY 2012 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)

Items in this Report Utilizing Output from USPS-FY12-25

Item Number	Data/Information Provided
USPS-FY12-10	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY12-11	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY12-12	<ul style="list-style-type: none"> Standard Mail Hybrid/Parcel Cost Study
USPS-FY12-13	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY12-15	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Parcels Cost Models (Public Version)
USPS-FY12-16	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Bound Printed Matter and Parcel Post Transportation Costs / Bulk Parcel Return Service Cost Study (Public Version)
USPS-FY12-18	<ul style="list-style-type: none"> FY 2012 ECR Mail Processing Unit Costs
USPS-FY12-19	<ul style="list-style-type: none"> FY 2012 Delivery Costs By Shape
USPS-FY12-20	<ul style="list-style-type: none"> FY 2012 Window Service Cost by Shape

USPS-FY12-21	•	FY 2012 QBRM and BRM Costs
USPS-FY12-22	•	FY 2012 Bound Printed Matter Mail Processing Costs
USPS-FY12-26	•	FY 2012 Mail Processing Costs by Shape (Public Version)
USPS-FY12-28	•	FY 2012 Special Cost Studies Workpapers – Special Services
USPS-FY12-NP20	•	FY 2012 Mail Processing Costs by Shape (Nonpublic Version)

USPS-FY12-26

This item is entitled:

USPS-FY12-26 FY 2012 Mail Processing Costs by Shape (Public Version)

USPS-FY12-26 provides Mail Processing Unit Costs by Shape for FY 2012 for First-Class Mail, Periodicals, Standard Mail and Package Services. These costs are provided by cost pool, and include piggyback or indirect costs.

Predecessor documents are Docket No. R2006-1, USPS-LR-L-99 and PRC-LR-9; Docket No. ACR 2007, USPS-FY07-26 and Docket No. ACR 2011, USPS-FY11-26 and PRC-ACR2011-LR-6. USPS-FY12-NP20 is the corresponding non-public document, containing mail processing costs by shape for First-Class Package Service, Parcel Select and Parcel Return Services.

Mail Processing Costs by Shape are contained in the Microsoft Office Excel workbook shp12prc.xls.

The following items found in this report are used as input/output to USPS-FY12-26:

Items in this Report Used as Input to USPS-FY12-26

Item Number	Data/Information Used
USPS-FY12-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-14	<ul style="list-style-type: none"> Mail Characteristics Study (Public Version)
USPS-FY12-24	<ul style="list-style-type: none"> FY 2012 Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY12-25	<ul style="list-style-type: none"> FY 2012 Mail Processing Piggyback Factors (Operation Specific)

Items in this Report Utilizing Output from USPS-FY12-26

Item Number	Data/Information Provided
USPS-FY12-10	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY12-11	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY12-12	<ul style="list-style-type: none"> Standard Mail Hybrid/Parcel Cost Study
USPS-FY12-13	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY12-15	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Parcels Cost Models (Public Version)
USPS-FY12-16	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Bound Printed Matter and Parcel Post Transportation Costs / Bulk Parcel Return Service Cost Study (Public Version)
USPS-FY12-18	<ul style="list-style-type: none"> FY 2012 ECR Mail Processing Unit Costs
USPS-FY12-19	<ul style="list-style-type: none"> FY 2012 Delivery Costs By Shape

USPS-FY12-20	•	FY 2012 Window Service Cost by Shape
USPS-FY12-21	•	FY 2012 QBRM and BRM Costs
USPS-FY12-22	•	FY 2012 Bound Printed Matter Mail Processing Costs
USPS-FY12-30	•	FY 2012 Market Dominant NSA Materials

USPS-FY12-27

This item is entitled:

USPS-FY12-27 FY 2012 Nonprofit Mail Cost Approximations

USPS-FY12-27 approximates the unit costs, total costs and contribution associated with Nonprofit Standard Mail by using the volumes and revenues associated with Nonprofit Standard Mail in conjunction with estimated unit costs by product, shape and rate category for Standard Mail. Because the Postal Service's data systems do not collect cost information separately for Nonprofit and Commercial mail, the estimated costs reported for Standard Mail represent costs for the combined categories. Although it may be reasonable to assume, for instance, that an Automation 5-Digit Nonprofit letter and an Automation 5-Digit Commercial letter would have similar costs, there may be cost-causing characteristics which are not explicitly incorporated into the cost models and which may vary for Nonprofit relative to those for Commercial mail. The Postal Service does not represent that USPS-FY12-27 necessarily reflects the actual costs of Nonprofit mail, but rather, it approximates the costs of Nonprofit mail assuming that the costs of Nonprofit mail are the same as the costs of Standard Mail at the disaggregated level.

The predecessor document is USPS-FY11-27. There is no corresponding non-public document. USPS-FY12-27 consists of a preface and one Excel file, SandardNonprofit2012.xls.

The following items found in this report are used as input/output to USPS-FY12-27:

Items in this Report Used as Input to USPS-FY12-27

Item Number	Data/Information Used
USPS-FY12-2	• FY 2012 Public Cost Segments and Components
USPS-FY12-4	• FY 2012 Market Dominant Billing Determinants
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-FY12-18	• FY 2012 ECR Mail Processing Unit Costs
USPS-FY12-19	• FY 2012 Delivery Costs By Shape
USPS-FY12-30	• FY 2012 Market Dominant NSA Materials

Items in this Report Utilizing Output from USPS-FY12-27

Item Number	Data/Information Provided
USPS-FY12-NP28	• Rule 3050.14 Alternative Format Report for Competitive Products

USPS-FY12-28

This item is entitled:

USPS-FY12-28 FY 2012 Special Cost Studies Workpapers – Special Services

USPS-FY12-28 documents the unit cost estimates for selected domestic Special Services, supplementing the cost information provided in USPS-FY12-1. 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 and Money Order Float, 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), Stamp Fulfillment Services (Handling), and Stamp Fulfillment Services (Philatelic Products).

USPS-FY11-28 is the predecessor document. USPS-FY12-NP26 cover special services for items designated as non-public.

The following items found in this report are used as input/output to USPS-FY12-28:

Items in this Report Used as Input to USPS-FY12-28

Item Number	Data/Information Used
USPS-FY12-1	<ul style="list-style-type: none"> FY 2012 Public Cost and Revenue Analysis (PCRA) Report
USPS-FY12-2	<ul style="list-style-type: none"> FY 2012 Public Cost Segments and Components Report
USPS-FY12-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-8	<ul style="list-style-type: none"> Equipment and Facility Related Costs
USPS-FY12-25	<ul style="list-style-type: none"> FY 2012 Mail Processing Piggyback Factors (Operation Specific)

Items in this Report Utilizing Output from USPS-FY12-27

Item Number	Data/Information Provided
USPS-FY12-31	<ul style="list-style-type: none"> FY 2012 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)

The cost analyzes for Special Services are organized as follows:

1.	Address Management Services	EXCEL file "AMS2012.xls
2.	Caller Service	EXCEL file "Caller Service2012.xls
3.	Certificate of Mailing	EXCEL file "Certificate of Mailing2012.xls
4.	Change of Address	EXCEL file "COACreditCardPub2012.xls
5.	Confirm	EXCEL file "Confirm2012.xls
6.	Correction of Mailing Lists Lists2012.xls	EXCEL file "Correction of Mailing
7.	Delivery Confirmation	EXCEL file DelConPub-FY 2012.xls
8.	Insurance	EXCEL file "Insurance Costs2012.xls
9.	Money Order Inquiry Float2012.xls	EXCEL file "Money Order Inquiry and
10.	Periodicals Applications	EXCEL file "Periodicals App Fee2012.xls
11.	P.O. Box Key Replacement	EXCEL file "PO Boxes2012.xls
12.	Restricted Delivery	EXCEL file "Restricted Delivery2012.xls
13.	Return Receipt	EXCEL file "Return Receipt2012.xls
14.	Signature Confirmation	EXCEL file "SigConPub-FY 2012.xls
15.	Stamped Cards	EXCEL file "Stamped Cards2012.xls
16.	Stamped Envelopes	EXCEL file "Stamped Envelopes2012.xls
17.	Stamped Envelopes _PSES2012.xls	EXCEL file "Stamped Envelopes
18.	Stamp Fulfillment (Handling)	EXCEL file "SFS2012.xls
19.	Stamp Fulfillment (Philatelic)	EXCEL file "SFS Philatelic2012.xls
20.	ZIP Coding of Mailing Lists	EXCEL file "Zip Coding of Mailing Lists2012.xls

USPS-FY12-29

This item is entitled:

USPS-FY12-29 Service Performance of Market Dominant Products

USPS-FY11-29 contains the annual report on the service performance of market dominant products.

USPS-FY10-29 and USPS-FY11-29 are predecessor documents. . There is no corresponding nonpublic document to USPS-FY12-29 and no items in this report are used as input/output to USPS-FY12-30.

USPS-FY12-29 relies on service standards, targets, and measurement methods established by the Postal Service upon consultation with the Commission, as reflected in 72 Fed. Reg. 58,946 and 72 Fed. Reg. 72,216 and in PRC Docket Nos. PI2008-1, RM2009-11, RM2010-11, RM2010-14, RM2011-1, and RM2011-4. As required by 39 C.F.R. § 3055.2(e), the measurement systems, methodologies, and proxies used for each product are described in the enclosed reports.

A narrative report that addresses each element of 39 C.F.R. §§ 3055.2 and 3055.3(b) is included as a Microsoft Word document entitled "Service Performance ACR FY12.doc." USPS-FY12-29 also includes the following five Microsoft Excel spreadsheets with data required by Part 3055, Subpart A, of the Commission's Rules:

FY12 ACR First-Class Mail.xls
FY12 ACR Package Services.xls
FY12 ACR Periodicals.xls
FY12 ACR Special Services.xls
FY12 ACR Standard Mail.xls

USPS-FY12-30

This item is entitled:

USPS-FY12-30 FY 2012 Market Dominant NSA Materials

USPS-FY12-30, FY 2012 Market Dominant NSA Documentation, reports revenues and volumes associated with Market-Dominant NSAs that were in effect during FY12 and had been in effect for one year by the end of FY12. It also calculates the costs and incremental values of those NSAs. This item also includes information about certain Address Management products.

USPS-FY11-30 (FY 2011 Market Dominant NSA Documentation) is the predecessor document. There is no corresponding non-public document. Information on competitive domestic NSAs is found in USPS-FY12-NP27.

In addition to a preface, USPS-FY12-30 NSA Documentation contains two Microsoft Office Excel workbooks. One file, FY 12 NSA Unit Cost Detail Data Calculations.xls, pulls together unit cost information. The second file, ACR_NSA_FY12_report.xls, contains one worksheet that replicates the summary unit costs information from the first file (FY 12 NSA Unit Cost Detail Data Calculations.xls), one worksheet containing calculations related to the current NSA, and one worksheet that presents summary calculations for the FY 2012 CRA.

The following items found in this report are used as input to USPS-FY12-30:

Items in this Report Used as Input to USPS-FY12-30

Item Number	Data/Information Used
USPS-FY12-4	<ul style="list-style-type: none"> FY 2012 Market Dominant Billing Determinants
USPS-FY12-10	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY12-11	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY12-18	<ul style="list-style-type: none"> FY 2012 ECR Mail Processing Unit Costs
USPS-FY12-19	<ul style="list-style-type: none"> FY 2012 Delivery Costs By Shape
USPS-FY12-24	<ul style="list-style-type: none"> FY 2012 Non-Operation Specific Piggyback Factors (Public Version)

Items in this Report Utilizing Output from USPS-FY12-30

Item Number	Data/Information Provided
USPS-FY12-1	<ul style="list-style-type: none"> FY 2012 Public Cost and Revenue Analysis (PCRA) Report
USPS-FY12-27	<ul style="list-style-type: none"> FY 2012 Nonprofit Mail Cost Approximations
USPS-FY12-NP11	<ul style="list-style-type: none"> FY 2012 Non-public Cost and Revenue Analysis (NPCRA) Report

USPS-FY12-31

This item is entitled:

USPS-FY12-31 FY 2012 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)

USPS-FY12-31 contains the Fiscal Year 2012 Cost and Revenue Analysis (CRA) Model along with public versions of associated cost matrices and reports. In the public cost matrices and reports, costs for Express Mail, Priority Mail, Parcel Select Mail, Parcel Return Service Mail, Premium Forwarding Service, Address Enhancement Services, Greeting Cards, Post Office Box Service (Competitive portion), Shipping and Mailing Supplies, and Competitive Negotiated Service Agreements have been rolled up into a single domestic Competitive products total. All files are provided in Excel format.

In the Postal Service's FY 2011 Annual Compliance Report (ACR) filing (Docket No. ACR2011, December 29, 2011), this material was presented as USPS-FY11-31. A non-public version of the FY 2012 CRA Model is filed as USPS-FY12-NP13. The non-public version contains complete cost data for the domestic Competitive products listed above.

The following items found in this report are used as input/output to USPS-FY12-31:

Items in this Report Used as Input to USPS-FY12-31

Item Number	Data/Information Used
USPS-FY12-5	<ul style="list-style-type: none"> Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Reallocated Trial Balances)
USPS-FY12-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-8	<ul style="list-style-type: none"> Equipment and Facility Related

Costs	
USPS-FY12-28	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers – Special Services (Public Version)
USPS-FY12-30	<ul style="list-style-type: none"> FY 2012 Market Dominant NSA Materials
USPS-FY12-32	<ul style="list-style-type: none"> FY 2012 CRA “B” Workpapers (Public Version)
USPS-FY12-37	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Public Version)
USPS-FY12-42	<ul style="list-style-type: none"> Revenues, Pieces, & Weight (Public Version)

Items in this Report Utilizing Output from USPS-FY12-31

Item Number	Data/Information Provided
USPS-FY12-1	<ul style="list-style-type: none"> FY 2012 Public Cost and Revenue Analysis (PCRA) Report
USPS-FY12-2	<ul style="list-style-type: none"> FY 2012 Public Cost Segments and Components
USPS-FY12-24	<ul style="list-style-type: none"> FY 2012 Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY12-NP4	<ul style="list-style-type: none"> FY 2012 ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)

USPS-FY12-32

This item is entitled:

USPS-FY12-32 FY 2012 CRA “B” Workpapers (Public Version)

USPS-FY12-32, FY 2012 CRA “B” Workpapers, input and calculate costs by cost segment which are used by USPS FY12-31, CRA Model, to produce USPS-FY12-2, Cost Segments and Components Report. The workpapers produce some product attributable costs for 13 of the 18 cost segments, including Postmasters, Supervisors, Clerks and Mail Handlers, In-Office City Carrier Activities, City Carrier and Rural Carrier Street Costs, Purchased Transportation,

etc. It contains electronic documentation of the spreadsheets and programs used to develop these costs.

Predecessor documents include Docket No. ACR2011, PRCACR2011-LR1, and USPS-FY11-32. USPS-FY12-NP14 is the corresponding non-public folder.

The USPS-FY12-32 “B” Workpapers are thirteen separate Microsoft Office Excel workbooks, twelve of which present cost data by separate cost segments with many worksheets in each, and the other of which, I-forms.xls, exports data to those cost segment workbooks. Data sources are referenced in each spreadsheet.

The following items found in this report are used as input/output to USPS-FY12-32:

Items in this Report Used as Input to USPS-FY12-32

Item Number	Data/Information Used
USPS-FY12-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-NP18	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Non-public Version)
USPS-FY12-34	<ul style="list-style-type: none"> City Carrier Cost System (CCCS) Statistical and Computer Documentation
USPS-FY12-35	<ul style="list-style-type: none"> Rural Carrier Cost System (RCCS) Statistical and Computer Documentation
USPS-FY12-36	<ul style="list-style-type: none"> Transportation Cost Systems (TRACS) Statistical and Computer Documentation
USPS-FY12-37	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Public Version)

Items in this Report Utilizing Output from USPS-FY12-32

Item Number	Data/Information Provided
USPS-FY12-31	<ul style="list-style-type: none"> FY 2012 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)

USPS-FY12-33

This item is entitled:

USPS-FY12-33 Consumer Access to Postal Services

USPS-FY12-33 provides information regarding consumer access to postal services. In particular, it provides information regarding post offices, delivery points, collection boxes, and wait time in line.

This is a new item. There is no predecessor document, nor is there a corresponding non-public document.

In addition to a preface, USPS-FY12-33 contains four Excel files:

- PostOfficesFY2012.xls
- DeliveryPointsFY2012.xls
- CollectionBoxesFY2012.xls
- WaitTimeInLineFY2012.xls

USPS-FY12-34

This item is entitled:

USPS-FY12-34 City Carrier Cost System (CCCS) Statistical and Computer Documentation (Public Version)

USPS-FY12-34 documents the statistical design of the City Carrier Cost System (CCCS) and City Carrier Cost System – Special Purpose Route (CCCS-SPR). It contains documentation of the statistical design and the programs used to develop volume estimates for classes, products, and price categories of mail collected and delivered on city letter routes and city special purpose routes. Also included are proportions, coefficients of variation (CVs), and confidence intervals for the estimates.

Predecessor documents include USPS-FY11-NP22, USPS-FY11-34, and Docket No. R2006-1, USPS-LR-L-11. A nonpublic version of this document is provided as USPS-FY12-NP22.

Volume estimates from the CCCS and CCCS-SPR rely on no input data. The following items found in this report are used the output from USPS-FY12-34:

Items in this Report Utilizing Output from USPS-FY12-34

Item Number	Data/Information Provided
USPS-FY12-19	• FY 2012 Delivery Costs By Shape

USPS-FY12-32	• FY 2012 CRA “B” Workpapers (Public Version)
USPS-FY12-NP3	• FY 2012 International Cost Segments and Components Report
USPS-FY12-NP14	• FY 2012 CRA “B” Workpapers, (Non-Public Version)

USPS-FY12-35

This item is entitled:

USPS-FY12-35 Rural Carrier Cost System (RCCS) Statistical and Computer Documentation (Public Version)

USPS-FY12-35 documents the statistical design of the Rural Carrier Cost System (RCCS). It contains documentation of the statistical design and the programs used to develop volume estimates for classes, products, and price categories of mail collected and delivered on rural routes. Also included are proportions, coefficients of variation (CVs), and confidence intervals for the estimates.

Predecessor documents are USPS-FY11-NP23, USPS-FY11-35, and Docket No. R2006-1, USPS-LR-L-12. A nonpublic version of this document is provided as USPS-FY12-NP23.

Volume estimates from the RCCS rely on no input data. The following items found in this report use the output from USPS-FY12-NP23:

Items in this Report Utilizing Output from USPS-FY12-35

Item Number	Data/Information Provided
USPS-FY12-19	• FY 2012 Delivery Costs By Shape
USPS-FY12-32	• FY 2012 CRA “B” Workpapers (Public Version)
USPS-FY12-NP3	• FY 2012 International Cost Segments and Components Report (Hard Copy & Excel)
USPS-FY12-NP14	• FY 2012 CRA “B” Workpapers, (Non-Public Version)

USPS-FY12-36

This item is entitled:

USPS-FY12-36 Transportation Cost Systems (TRACS)

USPS-FY12-36 documents the development of the estimated distribution keys for purchased transportation costs. It contains documentation for the two Transportation Cost System (TRACS) subsystems, TRACS Air and TRACS Surface (Highway), used to develop these costs. It also presents FY12 CV's (coefficients of variation) and confidence intervals for TRACS estimates.

The development of the TRACS estimated distribution keys and C.V.s material was last presented in Docket No. ACR2011 USPS-FY11-36. A non-public version of this document is provided as: USPS-FY12-NP24 Transportation Cost System (TRACS).

The relevant source code and outputs from TRACS are provided on an accompanying CD-ROM. The 'README_TRACS' file describes the contents of the CD-ROM, which includes an Excel file containing the C.V.s (coefficients of variation) for TRACS. The programs and systems used to develop the TRACS estimated distribution keys are described. The documentation is contained in three appendices:

- Appendix A : Surface Subsystem
- Appendix B : Air Subsystem
- Appendix C : Tables

The following items found in this report are used as input/output to USPS-FY12-36:

Items in this Report Utilizing Output from USPS-FY12-36

Item Number	Data/Information Provided
USPS-FY12-32	<ul style="list-style-type: none"> • FY 2012 CRA "B" Workpapers (Public Version)
USPS-FY12-NP2	<ul style="list-style-type: none"> • FY 2012 International Cost and Revenue Analysis (ICRA) report

(Hard Copy & Excel)
USPS-FY12-NP14 • FY 2012 CRA “B” Workpapers

USPS-FY12-37

This item is entitled:

USPS-FY12-37 In-Office Cost System (IOCS) Statistical and Computer Documentation (Public Version)

USPS-FY12-37 documents the In-Office Cost System, including statistical design for and estimation of in-office labor costs. It also presents FY12 CVs and confidence intervals for the estimates.

Documentation of statistical design and estimation were provided previously in Docket No. R2006-1, USPS-LR-L-9 and ACR2011, USPS-F10-37.

USPS-FY12-NP21, In-Office Cost System (IOCS) Statistical and Computer Documentation is the corresponding non-public document to USPS-FY12-37.

This document describes the statistical design of IOCS, and provides information on the system’s programs. Appendix A lists changes in data codes since FY11. Electronic data files, programs, data dictionary, flowchart and CVs are provided in the accompanying CD, described in Appendix B.

Cost estimates from the In-Office Cost System rely on no input data found in this report. The following items found in this report are using the output from USPS-FY08 –37:

Items in this Report Utilizing Output from USPS-FY12-37

Item Number	Data/Information Provided
USPS-FY12-2	• FY 2012 Public Cost Segments and Components Report
USPS-FY12-7	• Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-19	• FY 2012 Delivery Costs By Shape
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)

USPS-FY12-38

This item is entitled:

USPS-FY12-38 USPS Market Dominant Product Customer Satisfaction Measurement (CSM) Survey Instruments

USPS-FY12-38 consists of the electronic copies on CD-ROM of four documents. The first three are survey instruments used by the Postal Service to develop measures of customer experience for fiscal year 2012: (a) the Residential Customer Survey used to survey Residential postal customers; (b) the Large Business Customer Questionnaire, which was used to survey Large Commercial business customers; and (c) the Small/Medium Business Customer Survey, which was used to survey small and medium size businesses. The fourth document consists of summary customer experience measurement survey data generated by use of these instruments.

USPS-FY11-38 is the predecessor document. The Survey and Questionnaire files rely on no input data. These files merely contain CEM instruments, but no actual data.

In addition to a Preface document, USPS-FY12-38 consists of four files:

The 'Residential Survey_FY12' file contains the USPS Residential Survey instrument.

The 'Large Business Survey_FY12' file contains the USPS Large Commercial Business Survey instrument.

The 'Sm-Md Business Survey_FY12' file contains the USPS Small & Medium Business Survey instrument.

The 'CEM Question Response Counts_FY12' file is a workbook containing summary customer experience data generated through use of the three survey instruments.

USPS-FY12-39

This item is entitled:

USPS-FY12-39 FY 2012 Competitive Products Fund Reporting Materials

USPS-FY12-39, Competitive Products Fund Reporting Materials, includes a copy of the Postal Service's annual report to the Secretary of the Treasury regarding the Competitive Products Fund, required by section 2011(i), and other Competitive Products Fund materials provided in accordance with Commission Rules 3060.20 through 3060.23. Specifically, this includes PRC Forms CP-01, CP-02, CP-03, and Form CP-04.

Last year, predecessor materials were filed as USPS-FY11-39. There is no corresponding non-public document. USPS-FY12-39 consists of one pdf file which includes a Preface, and four Excel files.

For PRC Forms CP-01 and CP-02, inputs are this year's FY12 CRA and last year's PRC Forms CP-01 and CP-02. Inputs for PRC Forms CP-03 and CP-04 come from accounting records.

The following items found in this report are used as input/output to USPS-FY12-39:

Items in this Report Used as Input to USPS-FY12-39

Item Number	Data/Information Used
USPS-FY12-NP11	<ul style="list-style-type: none"> <li data-bbox="690 1245 1195 1306">FY 2012 Non-public Cost and Revenue Analysis (NPCRA) Report

USPS-FY12-40

This item is entitled:

USPS-FY12-40 Rural Mail Count

USPS-FY12-40 aggregates data collected from the most recent (September 2011) Rural Mail Count (RMC) for two purposes: 1) to determine the sizes of the cost pools by route type ('Evaluated' and 'Other'); and 2) to use the results from part 1) to calculate volume variability factors for by route type. The relevant results of this aggregation are included in USPS-FY12-32 and USPS-FY12-NP14 (commonly called the "B" Workpapers) in workbook I-Forms, tab I-Factors.

ACR 2011, USPS-FY11-40 is the predecessor document to USPS-FY12-40.

USPS-FY12-40 consists of a preface document, an RMC Dataset, FY2012.RMCFlat.data, and a SAS program for analysis of RMC data, ‘RMC2012AnalysisforCRA.sas’.

USPS-FY12-40 relies on no inputs from other ACR materials. As shown below, outputs are used by USPS-FY12-32 and USPS-FY12-NP14.

Items in this Report Utilizing Output from USPS-FY12-40

Item Number	Data/Information Provided
USPS-FY12-32	<ul style="list-style-type: none"> FY 2012 CRA “B” Workpapers (Public Version)
USPS-FY12-NP14	<ul style="list-style-type: none"> FY 2012 CRA “B” Workpapers, (Non-Public Version)

USPS-FY12-41

This item is entitled:

USPS-FY12-41 FY 2012 International Market Dominant Billing Determinants

USPS-FY12-41 presents the FY 2012 Market Dominant International Billing Determinants, showing the volume and calculated revenue for each rate cell within a mail product.

FY 2011 International Market Dominant Billing Determinants, most recently filed as USPS-FY11-41.

Inputs come from sources such as GBS Dispatch, PostalOne!, International Accounting Branch (IAB) weight, SIRVO-IODIS and ODIS-RPW. The data is from the same sources used in the Fiscal Year 2012 International Cost and Revenue Analysis Report.

Billing determinants provided in the file labeled FY2012 International Market Dominant Billing Determinants using the following key:

Spreadsheet Tab:	Product Category:
Cover	Title
FCMI Revenue Adjustment Factors	Adjustment Factor Applied to Input Data to Align to RPW
FY 2012 FCMI Volume & Revenue	FY2012 First-Class Mail International

	Cards, Letters, Flats and Packages
Q112 FCMI Volume & Revenue	Q1 FY2012 First-Class Mail International Cards, Letters, Flats and Packages
Q212 FCMI Volume & Revenue	Q2 FY2012 First-Class Mail International Cards, Letters, Flats and Packages
Q312 FCMI Volume & Revenue	Q3 FY2012 First-Class Mail International Pre and Post-Rate Change Cards, Letters, Flats and Packages
Q412 FCMI Volume & Revenue	Q4 FY2012 First-Class Mail International
FY2012 Intl Fees & Services	FY2012 International Certificate of Mailing, International Registered Mail, International Return Receipt, International Restricted Delivery
Q112 Intl Fees & Services	Q1 FY2012 International Certificate of Mailing, International Registered Mail, International Return Receipt, International Restricted Delivery
Q212 Intl Fees & Services	Q2 FY2012 International Certificate of Mailing, International Registered Mail, International Return Receipt, International Restricted Delivery
Q312 Intl Fees & Services	Q3 FY2012 International Certificate of Mailing, International Registered Mail, International Return Receipt, International Restricted Delivery
Q412 Intl Fees & Services	Q4 FY2012 International Certificate of Mailing, International Registered Mail, International Return Receipt, International Restricted Delivery

USPS-FY12-42

This item is entitled:

USPS-FY12-42 FY 2012 Revenue, Pieces, and Weight Report

USPS-FY12-42 contains the U.S. Postal Service Revenue, Pieces, and Weight (RPW) Report for FY 2012.

For many years, the RPW materials have been provided to the Commission as part of periodic reporting. (Quarterly RPW reports will continue to be provided as part of periodic reporting.) The most recent quarterly RPW (for Quarter 4 of FY 2012) and the most recent annual RPW report (FY 2012) were filed on November 27, 2012. Revised Quarters 1, 2, and 3 (FY 2012) were also provided

in the November 27, 2012 periodic filing. USPS-FY12-42 was provided as USPS-FY11-42 for the FY 2011 Annual Compliance Report filing.

The nonpublic version of the RPW material, which contains information on individual competitive products, is presented in USPS-FY12-NP30.

USPS-FY12-42 does not rely on input from any other set of material presented as part of the FY 2012 ACR. The revenue, pieces, and weight data by product provided in USPS-FY12-42, however, are used as inputs for many portions of the ACR, as well as several other Postal Service reports.

In addition to this Preface, USPS-FY12-42 consists of five Excel files containing annual and quarterly FY 2012 RPW data. The following is a list of those files:

FY2012Q1_RPWSUMMARYREPORT_PUBLIC.XLS (revised)
 FY2012Q2_RPWSUMMARYREPORT_PUBLIC.XLS (revised)
 FY2012Q3_RPWSUMMARYREPORT_PUBLIC.XLS (revised)
 FY2012Q4_RPWSUMMARYREPORT_PUBLIC.XLS
 FY2012_RPWSUMMARYREPORT_PUBLIC.XLS

USPS-FY12-43

This item is entitled:

USPS-FY12-43 Scenario Analysis for Standard Mail Contribution

USPS-FY12-43 presents seven models estimating differential contribution impacts for different scenarios pertaining to Standard Mail Flats price increases. It also contains a report from Christensen Associates, in PDF format, explaining the significance of the seven models.

There are no predecessor documents and nor is there a corresponding non-public document.

SECTION ONE: DESCRIPTION OF ITEMS Non-Public Annex

USPS-FY12-NP1

This item is entitled:

USPS-FY12-NP1 FY 2012 Domestic Competitive Product Billing
 Determinants

USPS-FY11-NP1 provides the FY 2012 billing determinants for domestic competitive products. Billing determinants provide the volume and calculated revenue for each rate cell within a mail product.

The most recent predecessor document is FY 2011 Domestic Competitive Product Billing Determinants, filed in ACR2011 as USPS-FY11-NP1. There is no corresponding Public document to USPS-FY12-NP1.

USPS-FY12-NP1 consists of six Excel workbooks containing FY 2012 billing determinants for domestic competitive products.

The following items found in this report are used as input/output to USPS-FY12-NP1:

Items in this Report Utilizing Output from USPS-FY12-NP1

Item Number	Data/Information Provided
USPS-FY12-NP15	<ul style="list-style-type: none"> <li data-bbox="688 827 1175 919">FY 2012 Special Cost Studies Workpapers – Parcel Select/PRS Cost Model
USPS-FY12-NP16	<ul style="list-style-type: none"> <li data-bbox="688 932 1175 1079">FY 2012 Special Cost Studies Workpapers – Bound Printed Matter and Parcel Post Transportation Costs / Bulk Parcel Return Service Cost Study
USPS-FY12-NP27	<ul style="list-style-type: none"> <li data-bbox="688 1087 1175 1144">FY 2012 Competitive NSA & Nonpostal Materials

USPS-FY12-NP2

This item is entitled:

USPS-FY12-NP2 FY 2012 International Cost and Revenue Analysis (ICRA) report

USPS-FY12-NP2 contains two hardcopy ICRA reports: 1) the Imputed version, and 2) the Booked version, and the Excel model that produced the ICRA report. This item was filed as USPS-FY11-NP2 in Docket No. ACR2011. There is no corresponding public document.

The inputs to this item are presented and documented in the Supporting Files folder and they appear in the model at the Inputs.xls file. The processing of the inputs occurs in the ICRA core files and the output is the ICRA report, which appears in the Reports.xls file.

The electronic contents of this item are the following folders, each containing separate files:

ICM Costing:

- Data as Provided
- IBRS
- IDE Sack Handling
- ISAL IPA Cost Study
- PC Postage
- ICM Costing Module User Guide.doc
- ICM Costing Q1 (Booked).xls
- ICM Costing Q1 (Imputed).xls
- ICM Costing Q2-4 (Booked).xls
- ICM Costing Q2-4 (Imputed).xls
- NSA Summary (Booked).pdf
- NSA Summary (Booked).xls
- NSA Summary (Imputed).pdf
- NSA Summary (Imputed).xls

ICRA Core Files:

- CS14fy12.nonpublic.11.12.12.xls
- Domestic Tran Calcs.xls
- EMS & GXG Calcs.xls
- Inbound Calcs.xls
- Inputs.xls
- OldFormat.xls
- Outbound Calcs.xls
- Reports.xls (this file contains the electronic version of the hardcopy Imputed ICRA report)
- Reports(Booked).xls (this file contains the electronic version of the hardcopy Booked ICRA report)
- Workbook Management Tools.xls

Supporting Files:

- CRA Cost Segments
- CS 14 Distribution Keys
- EMS & EPG Rates FY2012
- GXG
- IAB Data Files As Provided
- Parcel Settlement Rates
- Processed IAB Files
- Sirvo Inputs
- FPS_Inbound_Inputs.xls

Readme.doc is a narrative explaining how to install and run the model on a PC, and provides a more detailed explanation of the files contained in the directories.

USPS-FY12-NP3

This item is entitled:

USPS-FY12-NP3 FY 2012 International Cost Segments and Components Report

USPS-FY12-NP3 is composed of the International Cost Segments and Components Report and an electronic version contained in the Excel file, FY12ICRA.Crpt.xls. This item was filed as USPS-FY11-NP3 in Docket No. ACR2011. There is no corresponding public item.

This item is the International Cost Segments and Components Report, or C Report, output of the Domestic Processing Model, USPS-FY12-NP4.

USPS-FY12-NP3 is an Output from Item below in this Report

Item Number	Data/Information Provided
USPS-FY12-NP4	<ul style="list-style-type: none"> • FY 2012 ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)

USPS-FY12-NP4

This item is entitled:

USPS-FY12-NP4 FY 2012 ICRA Domestic Processing Model (Cost matrices, Reports, Control File, & Changes)

USPS-FY12-NP4 contains the Excel ICRA model that produces the international category cost detail associated with the domestic processing, delivery and piggyback cost segments. This shows all international costs except domestic transportation, international transportation and settlement charges. The cost matrices, reports and control files to execute the model are contained here.

This item was filed as USPS-FY11-NP4 in Docket No. ACR2011. There is no corresponding public document.

SettingupDPMReadme.txt is a narrative explaining how to install and run the model on a PC. The electronic contents are as follows:

Inputs Folder:

- FY12.B.xls
- ICRA12PRC.xls (also appears in USPS-FY12-NP6)
- FY12distkeys.xls
- FY12.I.xls
- ICRAEQUIP FLATFY12.xls
- FY12ICRA.ARPT.xls
- FY12ICRA.BRPT.xls
- FY12ICRA.CRPT.xls
- FY12ICRA.FRPT.xls
- FY12ICRA.IRPT.xls
- FY12ICRA.Mod1.xls
- FY12ICRA.A.xls
- FY12ICRA.B.xls
- FY12ICRA.Cntl.xls
- FY12ICRA.F.xls
- FY12ICRA.I.xls
- FY12ICRA.KRPT.xls
- FY12ICRA.OutputMatrix.xls

Programs Folder:

- CRA.DIM.ACR12.xls
- CRAModel.xls

The following items found in this report are used as input/output to USPS-FY12-NP4:

Items in this Report Used as Input to USPS-FY12-NP4	
Item Number	Data/Information Used
USPS-FY12-NP6	<ul style="list-style-type: none"> • FY 2012 International Cost Segment Spreadsheets
USPS-FY12-NP7	<ul style="list-style-type: none"> • Cost Segment 3 International Subclass Costs by Cost Pools (Volume Variable Cost Pools)
USPS-FY12-NP13	<ul style="list-style-type: none"> • FY 2012 CRA Model (Model Files, Cost Matrices, and Reports)

USPS-FY12-NP14 • FY 2012 CRA "B" Workpapers

Items in this Report Utilizing Output from USPS-FY12-NP4

Item Number	Data/Information Provided
USPS-FY12-NP2	• FY 2012 International Cost and Revenue Analysis (ICRA) report (Hard Copy & Excel)

USPS-FY12-NP5

This item is entitled:

USPS-FY12-NP5 FY 2012 ICRA Overview/Technical Description

USPS-FY12-NP5 provides narrative descriptions and documentation of the ICRA production process in two parts. Part 1 is a summary and functional description of the six areas which constitute the development of the ICRA report: domestic processing, domestic transportation, international mail volume, international transportation, settlement charges and foreign origin mail, with example pages of the FY 2012 ICRA Report. Part 2 contains technical descriptions and computational details of the same six development areas, technical descriptions of the SIRVO-IODIS and SIRVI data systems, and the final chapter is a user's guide to the Excel ICRA model.

The predecessor document is Docket No. ACR2011 USPS-FY11-NP5. There is no corresponding public document.

The following is the table of contents for USPS-FY12-NP5:

Part 1. Overview and Summary Description

Overview
 Summary Description 1 Domestic Processing
 Summary Description 2 Domestic Transportation
 Summary Description 3 International Mail Volumes
 Summary Description 4 International Transportation
 Summary Description 5 Settlements
 Summary Description 6 Foreign Origin

Part 2. Technical Description

- Chapter 1 Development of Domestic Processing Costs
- Chapter 2 Development of Domestic Transportation Costs
- Chapter 3 Development of International Mail Volume
- Chapter 4 Development of International Transportation
- Chapter 5 Development of Settlements Charges
- Chapter 6 Development of Foreign Origin Volume and Revenue
- Chapter 7 System for Outbound Revenue, Pieces, and Weight
- Chapter 8 System for Inbound Revenue, Pieces, and Weight
- Chapter 9 Development of International Special/Ancillary Services
- Chapter 10 User's Guide to Files Provided for the ICRA 2012

USPS-FY12-NP6

This item is entitled:

USPS-FY12-NP6 FY 2012 International Cost Segment Spreadsheets

USPS-FY12-NP6 contains the workpapers used as inputs to USPS-FY12-NP4 (FY 2012 ICRA Domestic Processing Model (Cost Matrices, Reports, Control Files, & Changes)). These spreadsheets are also contained in USPS-FY12-NP4 because these files need to be in that directory to execute the model.

This item was filed as USPS-FY11-NP6 in Docket No. ACR2011. There is no corresponding public document.

This item contains three electronic files: ICRA12PRC.xls, FY12distkeys.xls and ICRAEQUIP.FLATFY12.

The following items found in this report are used as input/output to USPS-FY12-NP6:

Items in this Report Used as Input to USPS-FY12-NP6	
Item Number	Data/Information Used
USPS-FY12-NP14	• FY 2012 CRA "B" Workpapers

USPS-FY12-NP7

This item is entitled:

USPS-FY12-NP7 Cost Segment 3 International Subclass Costs by Cost Pools (Volume Variable Cost Pools)

USPS-FY12-NP7 documents detailed international volume-variable subclass costs by cost pool that are inputs to the ICRA model.

The predecessor document is USPS-FY11-NP7. The same SAS programs as those described in USPS-FY12-NP18 are used in USPS-FY12-NP7 but they further disaggregate the international subclass line item in USPS-FY12-NP18 into detailed international categories for the ICRA model.

The following items found in this report are used as input/output to USPS-FY12-NP7:

Items in this Report Used as Input to USPS-FY12-NP7

Item Number	Data/Information Used
USPS-FY12-23	<ul style="list-style-type: none"> • MODS Productivity Data
USPS-FY12-NP2	<ul style="list-style-type: none"> • FY 2012 International Cost and Revenue Analysis (ICRA) report (Hard Copy & Excel)
USPS-FY12-NP21	<ul style="list-style-type: none"> • In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)

Items in this Report Utilizing Output from USPS-FY12-NP7

Item Number	Data/Information Provided
USPS-FY12-NP4	<ul style="list-style-type: none"> • FY 2012 ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)
USPS-FY12-NP9	<ul style="list-style-type: none"> • FY 2012 Miscellaneous International Data

USPS-FY12-NP8

This item is entitled:

USPS-FY12-NP8 FY 2012 Competitive International Billing Determinants

USPS-FY12-NP8 presents the FY 2012 Competitive International Billing Determinants, showing the volume and calculated revenue for each rate cell within a mail product.

International Billing Determinants were most recently filed as USPS-FY11-NP8.

Inputs come from sources such as GBS Dispatch, PostalOne!, International Accounting Branch (IAB) weight, SIRVO-IODIS, and ODIS-RPW. The data uses the same sources that underlie the Fiscal Year 2012 ICRA Report. Outputs are used throughout the ICRA process.

Billing determinants provided in the ZIP file labeled FY2012 Competitive International Billing Determinants using the following key:

Spreadsheet Tab:	Product Category:
Cover Sheet	Title
GXG	Global Express Guaranteed
EMI	Express Mail International
PMI	Priority Mail International
International ICM – NSA	Negotiated Service Agreements
Intl Fees & Services	International Certificates of Mailing, International Registered, International Return Receipt, International Restricted Delivery, International Money Orders, International Insured Mail, Express Mail International Insurance

USPS-FY12-NP9

This item is entitled:

USPS-FY12-NP9 FY 2012 Miscellaneous International Data

USPS-FY12-NP9 contains miscellaneous documents that are not used in the development of the ICRA, but generally contain material of the type previously filed in response to Commission Rule 103. The miscellaneous documents

include data on international joint ventures and coefficients of variation for various functions.

This item was filed as USPS-FY11-NP9 in Docket No. ACR2011. There is no corresponding public document.

The electronic contents are as follows:

Word Documents:

Joint Venture Information

CVs for GFY 2012 ICRA Inbound

Excel Spreadsheets:

FY12 CV by Product (CVs for outbound categories)

TRACS ICRA CVs FY2012 (TRACS CVs)

ICRA PRC Results FY12 (for IOCS CVs)

ICRA12_ib_bycgrp_v

The following items found in this report are used as input/output to USPS-FY12-NP9:

Items in this Report Used as Input to USPS-FY12-NP9

Item Number	Data/Information Used
USPS-FY12-NP5	<ul style="list-style-type: none"> FY 2012 ICRA Overview/Technical Description
USPS-FY12-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)

USPS-FY12-NP10

This item is entitled:

USPS-FY12-NP10 FY 2012 Competitive Products Incremental Cost and Group Specific Costs (Non-public Version)

USPS-FY12-NP10 provides incremental costs for the group of competitive products for FY 2012.

Docket No. ACR2011, USPS-FY11-NP10 is the most recent predecessor document. There is no corresponding public document.

The following items found in this report are used as input to USPS-FY12-NP10:

Items in this Report Used as Input to USPS-FY12-NP10

Item Number	Data/Information Used
USPS-FY12-2	• FY 2012 Public Cost Segments and Components
USPS-FY12-24	• FY 2012 Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY12-NP2	• FY 2012 International Cost and Revenue Analysis (ICRA) report
USPS-FY12-NP12	• FY 2012 Non-public Cost Segments and Components
USPS-FY12-NP13	• FY 2012 CRA Model (Model Files, Cost Matrices, and Reports)
USPS-FY12-NP14	• FY 2012 CRA "B" Workpapers, (Non-Public Version)
USPS-FY12-NP18	• Cost Segment 3 Cost Pools & Other Related Information (Non-public Version)
USPS-FY12-NP27	• FY 2012 Competitive NSA Materials & Nonpostal Materials

For Group Specific costs, see the Microsoft Excel workbook Competitive Product Group Specific HQ Costs.xls, which shows the cost segment 18 costs for the 14 administrative units and programs that are Competitive Group Specific.

The Incremental Cost (IC) Model is filed as ICModel.zip. The zip file contains three folders with the files needed to use the IC Model:

- Documentation – Reference Files
- Programs – Program Files
- FY12CPOnly – Input and Output Files

The Documentation folder contains two files. The files in this folder and their functions are as follows:

- ICRunInstructions.doc – Instructional Document
- CostPoolsFY2012.xls – Input Cost Pool Data (added to FY2012.OutputMatrix.xls)

The Programs folder contains the two program files:

- IC.Model.xls – IC Model run module
- IC.DIM.xls – IC Model data input module

The FY12CPOnly folder contains three input files needed to replicate Domestic Competitive Incremental Cost:

- FY2012.OutputMatrix.xls – Fiscal Year 2011 output matrix
- IC2012.cntl.xls – Incremental Cost 2012 control tables
- IC2012.PS.xls – Incremental Cost 2012 product specific

The FY12CPOnly folder also contains five output files that are a result of the model's run:

- IC2012.CRpt.xls – IC C (Cost Segments and Components) Report
- IC2012.ICSummaryRpt.xls – IC Summary Report
- IC2012.PSRpt.xls – Group Product Specific Report
- IC2012.CP.xls – Cost Pool calculation workbook
- IC2012.IC.xls – IC calculation workbook

USPS-FY12-NP11

This item is entitled:

USPS-FY12-NP11 FY 2012 Non-Public Cost and Revenue Analysis (NPCRA) Report

USPS-FY12-NP11, FY 2012 Non-Public Cost and Revenue Analysis (NPCRA) summarizes attributable costs for the United States Postal Service's main products. The FY 2012 NPCRA presents most of the same information as in previous years – costs and revenues by product, along with various volume statistics by product, including data for mail products designated as "Competitive" products.

Docket No: ACR-2011, USPS-FY11-NP11 is the predecessor document. USPS-FY12-1: FY 2012 Public Cost and Revenue Analysis (PCRA) is the corresponding public document

The USPS-FY12-NP-11, 2012 Non-Public Cost and Revenue Analysis (NPCRA) is a 10 page summary of domestic and international attributable costs by rate category, differing from the public version (USPS-FY12-1) by presenting data for specific "Competitive" product lines.

Among the primary outputs from the CRA report are the attributable costs by subclass. The following items found in this report are used as input to USPS-FY12-NP11:

Items in this Report Used as Input to USPS-FY12-NP11

Item Number	Data/Information Used
USPS-FY12-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-NP13	<ul style="list-style-type: none"> FY 2012 CRA Model (Model Files, Cost Matrices, and Reports)
USPS-FY12-NP18	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Non-public Version)
USPS-FY12-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)
USPS-FY12-NP22	<ul style="list-style-type: none"> City Carrier Cost System (CCCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)
USPS-FY12-NP23	<ul style="list-style-type: none"> Rural Carrier Cost System (RCCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)
USPS-FY12-NP24	<ul style="list-style-type: none"> Transportation Cost Systems (TRACS) Statistical and Computer Documentation (Source Code and Data on CD Rom)

Items in this Report Utilizing Output from USPS-FY12-NP11

Item Number	Data/Information Provided
USPS-FY12-NP2	<ul style="list-style-type: none"> FY 2012 International Cost and Revenue Analysis (ICRA) report

USPS-FY12-NP12

This item is entitled:

USPS-FY12-NP12 FY 2012 Non-public Cost Segments and Components Report

USPS-FY12-NP12 is an output of the FY 2012 Cost and Revenue Analysis (CRA) Model that shows product attributable costs for 18 cost segments,

including Postmasters, Supervisors, Clerks and Mail Handlers, In-Office City Carrier Activities, City Carrier and Rural Carrier Street Costs, and Purchased Transportation.

In the Postal Service's FY 2011 Annual Compliance Report (ACR) filing (Docket No. ACR2011, December 29, 2011), this material was presented as USPS-FY11-NP12. A public version of this document is provided as USPS-FY12-2, FY 2012 Public Cost Segments and Components Report.

The FY 2012 Non-Public Cost Segments and Components Report is provided as an Excel workbook. It consists of a 48-page report that presents a summary of costs by mail category for all cost segment totals, followed by component-level detail within each segment. As it is not intended for public distribution, it includes detailed costs for Express Mail, Priority Mail, Parcel Select Mail, Parcel Return Service Mail, and Premium Forwarding Service. In addition, partial costs are shown for the Competitive portion of Post Office Box Service and for Shipping and Mailing Supplies; these are augmented by final adjustments in the model's "D" report (USPS-FY12-NP13). The following items found in this report are used as input/output to USPS-FY12-NP12:

Items in this Report Used as Input to USPS-FY12-NP12

Item Number	Data/Information Used
USPS-FY12-8	<ul style="list-style-type: none"> Equipment and Facility Related Costs
USPS-FY12-NP13	<ul style="list-style-type: none"> FY 2012 CRA Model (Model Files, Cost Matrices, and Reports)
USPS-FY12-NP14	<ul style="list-style-type: none"> FY 2012 CRA "B" Workpapers
USPS-FY12-NP18	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Non-public Version)
USPS-FY12-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)
USPS-FY12-NP29	<ul style="list-style-type: none"> Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Reallocated Trial Balances)

Items in this Report Utilizing Output from USPS-FY12-NP12

Item Number	Data/Information Provided
USPS-FY12-NP4	<ul style="list-style-type: none"> FY 2012 ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)

USPS-FY12-NP13

This item is entitled:

USPS-FY12-NP13 FY 2012 CRA Model (Model Files, Cost Matrices, and Reports) (Non-Public Version)

USPS-FY12-NP13 contains the Fiscal Year 2012 Cost and Revenue Analysis (CRA) Model along with associated cost matrices and reports. Files are provided in Excel format.

In the Postal Service's FY 2011 Annual Compliance Report (ACR) filing (Docket No. ACR2011, December 29, 2011), this material was presented as USPS-FY11-NP13. A public version of the FY 2012 CRA Model is filed as USPS-FY12-31. The public version excludes detailed cost data for Express Mail, Priority Mail, Parcel Select Mail, Parcel Return Service Mail, Premium Forwarding Service, Address Enhancement Services, Greeting Cards, Post Office Box Service (Competitive portion), Shipping and Mailing Supplies, and Competitive Negotiated Service Agreements.

The contents of USPS-FY12-NP13 are organized in Electronic folders as follows:

1. CRA Model

USPS-FY12-NP13\Model\CRA.Model.xls	CRA run module
USPS-FY12-NP13\Model\CRA.DIM.xls	CRA data input module
USPS-FY12-NP13\Model\FY11.cntl.xls	CRA control tables and data source
documentation	

2. Cost Files

USPS-FY12-NP13\Cost\FY12.I.xls	Input matrix
USPS-FY12-NP13\Cost\FY12.Mod1.xls	GDEI calculations and output matrix
USPS-FY12-NP13\Cost\FY12.A.xls	"A" calculations and output matrix
USPS-FY12-NP13\Cost\FY12.F.xls	"F" calculations and output matrix
USPS-FY12-NP13\Cost\FY12.B.xls	"B" calculations and output matrix

3. Reports

USPS-FY12-NP13\Reports\FY12.IRpt.xls	Input report
USPS-FY12-NP13\Reports\FY12.ARpt.xls	"A" report (without PESSA costs)
USPS-FY12-NP13\Reports\FY12.FRpt.xls	Factor report
USPS-FY12-NP13\Reports\FY12.BRpt.xls	"B" report (PESSA detail)
USPS-FY12-NP13\Reports\FY12.CRpt.xls	Cost segments and components report
USPS-FY12-NP13\Reports\FY12.DRpt.xls	Final adjustments

The following items found in this report are used as input/output to USPS-FY12-NP13:

Items in this Report Used as Input to USPS-FY12-NP13

Item Number	Data/Information Used
USPS-FY12-8	• Equipment and Facility Related Costs
USPS-FY12-NP14	• FY 2012 CRA "B" Workpapers
USPS-FY12-NP18	• Cost Segment 3 Cost Pools & Other Related Information (Non-public Version)
USPS-FY12-NP21	• In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)
USPS-FY12-NP26	• FY 2012 Special Cost Studies Workpapers – Special Services (Non-public Version)
USPS-FY12-NP27	• FY 2012 Competitive NSA Materials & Nonpostal Materials
USPS-FY12-NP29	• Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Reallocated Trial Balances)
USPS-FY12-NP30	• FY 2012 Revenue, Pieces, & Weight (Nonpublic Version)

Items in this Report Utilizing Output from USPS-FY12-NP13

Item Number	Data/Information Provided
USPS-FY12-NP4	• FY 2012 ICRA Domestic Processing Model (Cost Matrices, Reports, Control File, & Changes)
USPS-FY12-NP10	• FY 2012 Competitive Product Incremental and Group Specific Costs
USPS-FY12-NP11	• FY 2012 Nonpublic Cost and Revenue Analysis (NPCRA) Report
USPS-FY12-NP12	• FY 2012 Nonpublic Cost Segments and Components Report
USPS-FY12-NP19	• FY 2012 Non-Operation Specific Piggyback Factors (Nonpublic Version)

USPS-FY12-NP14

This item is entitled:

USPS-FY12-NP14 FY 2012 CRA "B" Workpapers, (Non-Public Version)

USPS-FY12-NP14, FY 2012 CRA “B” Workpapers, input and calculate costs by cost segment which are used by USPS FY 2012-NP13, CRA Model, to produce USPS-FY12-NP12, Cost Segments and Components Report. The workpapers produce some product attributable costs for 13 of the 20 cost segments, including Postmasters, Supervisors, Clerks and Mail Handlers, In-Office City Carrier Activities, City Carrier and Rural Carrier Street Costs, Purchased Transportation, etc. It contains electronic documentation of the spreadsheets and programs used to develop these costs.

Predecessor documents include Docket No. ACR2011, USPS-FY11-NP14 and PRC-ACR2011-NP-LR1. USPS-FY12-32 is the corresponding public folder.

The USPS-FY12-NP14 “B” Workpapers are thirteen separate Microsoft Office Excel workbooks, twelve of which present cost data by separate cost segments with many worksheets in each, and the other of which, I-forms.xls, exports data to those cost segment workbooks. Data sources are referenced in each spreadsheet. The following items found in this report are used as input/output to USPS-FY12-NP14:

Items in this Report Used as Input to USPS-FY12-NP14

Item Number	Data/Information Used
USPS-FY12-NP7	<ul style="list-style-type: none"> Cost Segment 3 International Subclass Costs by Cost Pools (Volume Variable Cost Pools)
USPS-FY12-NP18	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Non-public Version)
USPS-FY12-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation
USPS-FY12-NP22	<ul style="list-style-type: none"> City Carrier Cost System (CCCS) Statistical and Computer Documentation
USPS-FY12-NP23	<ul style="list-style-type: none"> Rural Carrier Cost System (RCCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)
USPS-FY12-NP24	<ul style="list-style-type: none"> Transportation Cost Systems (TRACS) Statistical and Computer Documentation (Source Code and Data on CD Rom)

Items in this Report Utilizing Output from USPS-FY12-NP14

Item Number	Data/Information Provided
USPS-FY12-NP13	<ul style="list-style-type: none"> FY 2012 CRA Model (Model Files, Cost Matrices, and Reports)

USPS-FY12-NP15

This item is entitled:

USPS-FY12-NP15 FY 2012 Special Cost Studies Workpapers – Parcel Select/Parcel Return Service Mail Processing Cost Model

USPS-FY12-NP15 documents the mail processing cost estimates for the Parcel Select / Parcel Return Service (PRS) price categories.

Docket No. RM2012-8, Order No. 1567 is the predecessor document. There is no corresponding public document to USPS-FY12-NP15.

The Parcel Select / Parcel Return Service mail processing cost estimate outputs are relied upon to support the negotiated service agreements (NSA).

The Parcel Select / Parcel Return service mail processing unit cost estimates are presented in the Microsoft Excel workbook ‘USPS-FY12-NP15.xls’ in the spreadsheet tab entitled ‘Summary’ (page 1).

The following items found in this report are used as input/output to USPS-FY12-NP15:

Items in this Report Used as Input to USPS-FY12-NP15

Item Number	Data/Information Used
USPS-FY12-7	• Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-23	• MODS Productivity Data
USPS-FY12-25	• FY 2012 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY12-NP18	• Cost Segment 3 Cost Pools & Other Related Information (Non-public Version)
USPS-FY12-NP20	• FY 2012 Mail Processing Costs by Shape (Non-public Version)

Items in this Report Utilizing Output from USPS-FY12-NP15

Item Number	Data/Information Provided
USPS-FY12-NP27	• FY 2012 Competitive NSA Materials & Nonpostal Materials

USPS-FY12-NP16

This item is entitled: USPS-FY12-NP16 FY 2012 Special Cost Studies Workpapers – Parcel Select / Parcel Return Service Transportation Cost Model

USPS-FY12-NP16 documents the transportation cost estimates for the Parcel Select / Parcel Return Service (PRS) price categories.

The most recent predecessor document is Docket No. ACR2011, USPS-FY11-NP16. There is no public document that corresponds to USPS-FY12-NP16.

The Parcel Select / Parcel Return Service transportation cost estimate outputs are relied upon to support the negotiated service agreements (NSA) presentation.

The Parcel Select / Parcel Return Service transportation cost estimates are presented in the Microsoft Excel workbook ‘USPS-FY11-NP16.xls’ in the spreadsheet ‘Cost-Sum’ (page 1). Data sources are referenced in each spreadsheet throughout the workbook.

The following items found in this report are used as input/output to USPS-FY12-NP16:

Items in this Report Used as Input to USPS-FY12-NP16

Item Number	Data/Information Used
USPS-FY12-NP1	<ul style="list-style-type: none"> FY 2012 Competitive Product Billing Determinants
USPS-FY12-NP14	<ul style="list-style-type: none"> FY 2012 CRA “B” Workpapers, (Non-Public Version)
USPS-FY12-NP17	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Parcel Post Regression Analysis (Non-public Version)
USPS-FY12-NP19	<ul style="list-style-type: none"> FY 2012 Non-Operation Specific Piggyback Factors (Non-public Version)
USPS-FY12-NP27	<ul style="list-style-type: none"> FY 2012 Competitive NSA Materials & Nonpostal Materials

Items in this Report Utilizing Output from USPS-FY12-NP16

Item Number	Data/Information Provided
USPS-FY12-NP27	<ul style="list-style-type: none"> FY 2012 Competitive NSA Materials & Nonpostal Materials

USPS-FY12-NP17

This item is entitled:

USPS-FY12-NP17 FY 2012 Special Cost Studies Workpapers – Parcel Select/Parcel Return Service Cube-Weight Estimation

USPS-FY12-NP17 documents the econometric analysis used to estimate the cubic feet per piece for Parcel Select / Parcel Return Service (PRS) mail pieces.

Docket No. ACR2011, USPS-FY11-NP17 is the most recent predecessor document. There is no public document that corresponds to USPS-FY12-NP17.

The FY 2012 dataset used in this analysis is contained in the Microsoft Excel workbook 'PP12DATAPSPRS.xls.' The program used to estimate the econometric equations is contained in the SAS software file 'PP12DATAPSPRS.SAS.' This analysis was performed on a personal computer using version 9.2 of the SAS software. The output file includes a listing of the working dataset, the econometric result, the Breusch-Pagan heteroskedasticity test result, and the econometric residuals.

The inputs to this analysis are the FY 2012 Parcel Select volume, cubic feet, and weight data. The output from this analysis is the econometric equation for Parcel Select. This equation is used to distribute the Parcel Select and Parcel Return Service transportation costs in USPS-FY12-NP16. The econometric equation derived in this analysis is shown below. The results from Breusch-Pagan test indicate that the data do not exhibit heteroskedasticity.

$$\text{Incfperpc} = -1.91486 + 1.14730 * \text{lnlbs} - 0.11394 * \text{lnlbs}^2$$

The following items found in this report are used as input/output to USPS-FY12-NP17:

Items in this Report Utilizing Output from USPS-FY12-NP17

Item Number	Data/Information Provided
USPS-FY12-NP16	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers – Parcel Select / Parcel Return Service Transportation Cost Model (Non-public Version)

USPS-FY12-NP18

This item is entitled:

USPS-FY12-NP18 Cost Segment 3 Cost Pools & Other Related Information (Non-public Version)

USPS-FY12-NP18 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, the Special Cost Studies and the NSAs.

The predecessor document is ACR2011 USPS-FY11-NP18. USPS-FY12-NP18 is the non-public version of USPS-FY12-7. The specific rate categories shown in USPS-FY12-NP18 are generally the same as those used last year, but reflect the introduction in FY12 of two new competitive domestic products: First Class Package Service shown as a separate CRA category, and Parcel Select Lightweight included with the Parcel Select CRA category. The domestic market-dominant and total international mail and services are the same ones appearing in USPS-FY12-7. However, the competitive domestic mail and services which are aggregated in USPS-FY12-7 (public version) are detailed as separate rate categories in USPS-FY12-NP18.

USPS-FY12-NP18 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-NP18 Excel Workbook.zip comprises eight parts, each contained in an Excel file. The eight Excel files are named USPS-FY12-NP18 Part I.xls through USPS-FY12-NP18 Part VIII.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-NP18 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-NP18 SAS programs.zip* contains txt files of the SAS program codes. *USPS-FY12-NP18 SAS logs.zip* contains rtf files of the SAS logs. And *USPS-FY12-NP18 SAS tables.zip* contains rtf files of the SAS output tables generated by the SAS program codes and the SAS logs.

The following items found in this report are used as input/output to USPS-FY12-NP18:

Items in this Report Used as Input to USPS-FY12-NP18	
Item Number	Data/Information Used
USPS-FY12-23	• MODS Productivity Data

USPS-FY12-NP2	<ul style="list-style-type: none"> FY 2012 International Cost and Revenue Analysis (ICRA) report
USPS-FY12-NP21	<ul style="list-style-type: none"> In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)

Items in this Report Utilizing Output from USPS-FY12-NP18

Item Number	Data/Information Provided
USPS-FY12-2	<ul style="list-style-type: none"> FY 2012 Public Cost Segments and Components Report
USPS-FY12-8	<ul style="list-style-type: none"> Equipment and Facility Related Costs
USPS-FY12-10	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)
USPS-FY12-11	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model
USPS-FY12-12	<ul style="list-style-type: none"> Standard Mail Hybrid/Parcel Cost Study
USPS-FY12-13	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Drop Ship Cost Avoidances for Periodicals and Standard Mail
USPS-FY12-15	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers - Parcels Cost Models (Public Version)
USPS-FY12-21	<ul style="list-style-type: none"> FY 2012 QBRM and BRM Costs
USPS-FY12-25	<ul style="list-style-type: none"> FY 2012 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY12-26	<ul style="list-style-type: none"> FY 2012 Mail Processing Costs by Shape (Public Version)
USPS-FY12-28	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers – Special Services
USPS-FY12-31	<ul style="list-style-type: none"> FY 2012 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY12-32	<ul style="list-style-type: none"> FY 2012 CRA “B” Workpapers (Public Version)
USPS-FY12-NP10	<ul style="list-style-type: none"> FY 2012 ICM Data
USPS-FY12-NP13	<ul style="list-style-type: none"> FY 2012 CRA Model (Model Files, Cost Matrices, and Reports)
USPS-FY12-NP14	<ul style="list-style-type: none"> FY 2012 CRA “B” Workpapers
USPS-FY12-NP15	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers – Parcels Cost Model (Non-public Version)
USPS-FY12-NP20	<ul style="list-style-type: none"> FY 2012 Mail Processing Costs by Shape (Non-public Version)
USPS-FY12-NP26	<ul style="list-style-type: none"> FY 2012 Special Cost Studies

	Workpapers – Special Services (Non-public Version)
USPS-FY12-NP27	• FY 2012 Competitive NSA Materials & Nonpostal Materials

USPS-FY12-NP19

This item is entitled:

USPS-FY12-NP19 FY 2012 Non-Operation Specific Piggyback Factors
(Non-public Version)

USPS-FY12-NP19 documents development of the piggyback factors for major functions (e.g., mail processing, window service, city delivery, rural delivery, vehicle service drivers, and postmasters) for each product. Piggyback factors are employed in cost studies to augment labor cost estimates for the major functions by adding the costs associated with supervisors and administration, service-wide benefits, along with facility-related and equipment-related costs.

Predecessor documents Include Docket No. R2006-1, USPS-LR-L-98, parts I and II; and Docket No. ACR2011, USPS-FY11-NP19. USPS-FY12-24 is the corresponding public document.

Results can be seen in the Microsoft Office Excel workbook FY12NP.PB.xls.

The following items found in this report are used as input/output to USPS-FY12-NP19:

Items in this Report Used as Input to USPS-FY12-NP19

Item Number	Data/Information Used
USPS-FY12-NP13	• FY 2012 CRA Model (Model Files, Cost Matrices, and Reports)

Items in this Report Utilizing Output from USPS-FY12-NP19

Item Number	Data/Information Provided
USPS-FY12-24	• FY 2012 Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY12-NP20	• FY 2012 Mail Processing Costs by Shape (Non-public Version)

USPS-FY12-NP27	• FY 2012 Competitive NSA Materials & Nonpostal Materials
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USPS-FY12-NP20

This item is entitled:

USPS-FY12-NP20 FY 2012 Mail Processing Costs by Shape (Non-public Version)

USPS-FY12-NP20 provides Mail Processing Unit Costs by Shape for First-Class Package Service, Parcel Select and Parcel Return Services. These costs are provided by cost pool, and include piggyback or indirect costs.

Docket No. R2006-1, USPS-LR-L-99 and PRC-LR-9; and Docket No. ACR2011, USPS-FY11-NP20 are predecessors as far as methodology. USPS-FY12-26 is the corresponding public document, containing costs for First-Class Mail, Periodicals, Standard Mail and Package Services.

Results can be seen in the Microsoft Office Excel workbook shp12.prc.parcel select prs.xls.

The following items found in this report are used as input/output to USPS-FY12-NP20:

Items in this Report Used as Input to USPS-FY12-NP20

Item Number	Data/Information Used
USPS-FY12-25	• FY 2012 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY12-NP18	• Cost Segment 3 Cost Pools & Other Related Information (Non-public Version)
USPS-FY12-NP19	• FY 2012 Non-Operation Specific Piggyback Factors (Non-public Version)
USPS-FY12-NP25	• Mail Characteristics Study (Non-public Version)

Items in this Report Utilizing Output from USPS-FY12-NP20

Item Number	Data/Information Provided
USPS-FY12-27	• FY 2012 Nonprofit Mail Cost Approximations
USPS-FY12-NP15	• FY 2012 Special Cost Studies Workpapers – Parcels Cost Model

(Non-public Version)

USPS-FY12-NP21

This item is entitled:

USPS-FY12-NP21	In-Office Cost System (IOCS) Statistical and Computer Documentation
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USPS-FY12-NP21 documents the In-Office Cost System, including statistical design for and estimation of in-office labor costs. It also presents FY12 CVs and confidence intervals for the estimates.

Documentation of statistical design and estimation were provided previously in Docket No. R2006-1, USPS-LR-L-9 and ACR2011, USPS-FY11-NP21. USPS-FY12-37, In-Office Cost System (IOCS) Documentation is the corresponding public document

This item describes the statistical design of IOCS, and provides information on the system's programs. Appendix A lists changes in data codes since FY10. Electronic data files, programs, data dictionary, flowchart and CVs are provided in the accompanying CD, described in Appendix B.

Cost estimates from the In-Office Cost System rely on no input data found in this report.

The following items found in this report use the output from USPS-FY12 –NP21:

Items in this Report Utilizing Output from USPS-FY12-NP21

Item Number	Data/Information Provided
USPS-FY12-1	<ul style="list-style-type: none"> FY 2012 Public Cost and Revenue Analysis (PCRA) Report
USPS-FY12-7	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Public Version)
	<ul style="list-style-type: none">
USPS-FY12-18	<ul style="list-style-type: none"> FY 2012 ECR Mail Processing Unit Costs
USPS-FY12-20	<ul style="list-style-type: none"> FY 2012 Window Service Cost by Shape
USPS-FY12-22	<ul style="list-style-type: none"> FY 2012 Bound Printed Matter Mail Processing Costs
USPS-FY12-19	<ul style="list-style-type: none"> FY 2012 Delivery Costs By Shape
USPS-FY12-NP2	<ul style="list-style-type: none"> FY 2012 International Cost and Revenue Analysis (ICRA) report
USPS-FY12-NP7	<ul style="list-style-type: none"> Cost Segment 3 International Subclass Costs by Cost Pools (Volume Variable Cost Pools)
USPS-FY12-NP9	<ul style="list-style-type: none"> FY 2012 Miscellaneous International Data
USPS-FY12-NP11	<ul style="list-style-type: none"> FY 2012 Nonpublic Cost and Revenue Analysis (NPCRA) Report
USPS-FY12-NP12	<ul style="list-style-type: none"> FY 2012 Nonpublic Cost Segments and Components Report
USPS-FY12-NP13	<ul style="list-style-type: none"> FY 2012 CRA Model (Model Files, Cost Matrices, and Reports)
USPS-FY12-NP14	<ul style="list-style-type: none"> FY 2012 CRA "B" Workpapers, (Non-Public Version)
USPS-FY12-NP18	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Nonpublic Version)

USPS-FY12-NP22

This item is entitled:

USPS-FY12-NP22

City Carrier Cost System (CCCS) Statistical and
Computer Documentation

USPS-FY12-NP22 documents the statistical design of the City Carrier Cost System (CCCS) and City Carrier Cost System – Special Purpose Route (CCCS-SPR). It contains documentation of the statistical design and the programs used to develop volume estimates for classes, products, and price categories of mail collected and delivered on city letter routes and city special purpose routes. Also included are proportions, coefficients of variation (CVs), and confidence intervals for the estimates.

Predecessor documents include USPS-FY11-NP22, USPS-FY11-34, and Docket No. R2006-1, USPS-LR-L-11. A public version of this document is provided as USPS-FY12-34.

Volume estimates from the CCCS and CCCS-SPR rely on no input data. Outputs from the CCCS and CCCS-SPR are used as inputs to the following items found in this report:

Items in this Report Utilizing Output from USPS-FY12-NP22

Item Number	Data/Information Provided
USPS-FY12-19	• FY 2012 Delivery Costs By Shape
USPS-FY12-32	• FY 2012 CRA “B” Workpapers (Public Version)
USPS-FY12-NP3	• FY 2012 International Cost Segments and Components Report
USPS-FY12-NP14	• FY 2012 CRA “B” Workpapers, (Non-Public Version)

USPS-FY12-NP23

This item is entitled:

USPS-FY12-NP23

Rural Carrier Cost System (RCCS) Statistical and
Computer Documentation

USPS-FY12-NP23 documents the statistical design of the Rural Carrier Cost System (RCCS). It contains documentation of the statistical design and the programs used to develop volume estimates for classes, products, and price categories of mail collected and delivered on rural routes. Also included are proportions, coefficients of variation (CVs), and confidence intervals for the estimates.

Predecessor documents include USPS-FY11-NP23, USPS-FY11-35, and Docket No. R2006-1, USPS-LR-L-12. A public version of this document is provided as USPS-FY12-35.

Volume estimates from the RCCS rely on no input data. Outputs from the RCCS are used as inputs to the following items found in this report:

Items in this Report Utilizing Output from USPS-FY12-NP23

Item Number	Data/Information Provided
USPS-FY12-19	<ul style="list-style-type: none"> • FY 2012 Delivery Costs By Shape
USPS-FY12-32	<ul style="list-style-type: none"> • FY 2012 CRA "B" Workpapers (Public Version)
USPS-FY12-NP3	<ul style="list-style-type: none"> • FY 2012 International Cost Segments and Components Report
USPS-FY12-NP14	<ul style="list-style-type: none"> • FY 2012 CRA "B" Workpapers, (Non-Public Version)

USPS-FY12-NP24

This item is entitled:

USPS-FY12-NP24 Transportation Cost Systems (TRACS)
Statistical and Computer Documentation

USPS-FY12-NP24 documents the development of the estimated distribution keys for purchased transportation costs. It contains documentation for the two Transportation Cost System (TRACS) subsystems, TRACS Air and TRACS Surface (Highway), used to develop these costs. It also presents FY12 CV's (coefficients of variation) and confidence intervals for TRACS estimates.

The development of the TRACS estimated distribution keys and C.V.s material was last presented in Docket No. ACR2011 USPS-FY11-NP24. A public version of this document is provided as: USPS-FY12-36 Transportation Cost System (TRACS).

The relevant source code and outputs from TRACS are provided on an accompanying CD-ROM. The 'README_TRACS' file describes the contents of the CD-ROM, which includes an Excel file containing the C.V.s (coefficients of variation) for TRACS. The programs and systems used to develop the TRACS estimated distribution keys are described. The documentation is contained in three appendices:

- Appendix A : Surface Subsystem
- Appendix B : Air Subsystem
- Appendix C : Tables

The following items found in this report are used as input/output to USPS-FY12-NP24:

Items in this Report Utilizing Output from USPS-FY12-NP24

Item Number	Data/Information Provided
USPS-FY12-NP2	<ul style="list-style-type: none"> • FY 2012 International Cost and Revenue Analysis (ICRA) report
USPS-FY12-32	<ul style="list-style-type: none"> • FY 2012 CRA "B" Workpapers (Public Version)
USPS-FY12-NP14	<ul style="list-style-type: none"> • FY 2012 CRA "B" Workpapers

USPS-FY12-NP25

This item is entitled:

USPS-FY12-NP25 Mail Characteristics Study (Non-public Version)

USPS-FY12-NP25 includes the detailed distribution by shape and indicia for Priority Mail and Parcel Select, which are not included in the public version of the Mail Characteristics Study.

Predecessor documents include Docket No. ACR2011 USPS-FY10-NP25, Docket No. ACR2010 USPS-FY10-NP25, Docket No. ACR2009 USPS-FY09-NP25, Docket No. ACR2008 USPS-FY08-NP25, Docket No ACR2007. USPS-FY07-14 and Docket No. R2006-1 USPS-LR-L-87. The corresponding public document is USPS-FY12-14

This item relies upon the FY 2012 PostalOne! mailing statement database.

The RPW by shape and indicia results are presented in the Microsoft Office Excel workbook "Shape Indicia FY 2012Rv.xls". The programs used to aggregate the PostalOne! data for Priority Mail and Package Services are described in the Program Documentation. Program documentation for other classes is contained in USPS-FY12-14.

USPS-FY12-NP26

This item is entitled:

USPS-FY12-NP26 FY 2012 Special Cost Studies Workpapers – Special Services (Non-public Version)

USPS-FY12-NP26 documents the unit cost estimates for Address Enhancement Services, Delivery Confirmation, Signature Confirmation, and Change of Address Credit Card Authentication services. It also documents the calculation of the attributable costs for Competitive and Market Dominant Post Office Box services, Greeting Cards, and Shipping and Mailing Supplies.

The predecessor document is ACR2011 USPS-FY11-NP26. The public version of this item for special services is USPS-FY12-28.

The following items found in this report are used as input/output to USPS-FY12-NP26:

Items in this Report Used as Input to USPS-FY12-NP26

Item Number	Data/Information Used
USPS-FY12-1	• FY 2012 Public Cost and Revenue Analysis (PCRA) Report
USPS-FY12-2	• FY 2012 Public Cost Segments and Components Report
USPS-FY12-7	• Cost Segment 3 Cost Pools & Other Related Information (Public Version)
USPS-FY12-8	• Equipment and Facility Related Costs
USPS-FY12-24	• FY 2012 Non-Operation Specific Piggyback Factors (Public Version)
USPS-FY12-25	• FY 2012 Mail Processing Piggyback Factors (Operation Specific)
USPS-FY12-26	• FY 2012 Mail Processing Costs by Shape (Public Version)
USPS-FY12-NP1	• FY 2012 Competitive Product Billing Determinants

Cost study files include:

1. Address Enhancement Services

This cost study is contained in the EXCEL file "AES2012.xls." It contains the cost models and cost sheets that are used to develop Address Enhancement Services (AES) costs. A Direct Labor Survey was conducted in FY12 to determine the number of hours spent by the employees and contractors for AES. Using the surveyed hours and appropriate wage rates, direct labor costs were calculated for FY12. The direct labor to total labor cost ratio was then calculated and applied to the total costs to derive AES costs. The costs of AES are reported in the D report (USPS-FY12-31 and USPS-FY12-NP13).

2. Adult Signature Required

This cost study is contained in the EXCEL file "AdultSigCon-FY2012.xls." It contains the cost models and cost sheets that are used to develop Adult Signature Required unit cost estimates. The cost of Adult Signature Required is reported in the D report (USPS-FY12-NP13).

3. Change of Address Credit Card Authentication

This cost study is contained in the EXCEL file COACreditCard2012.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-FY12-28 does not reflect the Revenue Agreement with Imagitas. As a result, the revenue and expense figures in USPS-FY12-28 cannot be used to calculate the cost coverage. Based on the calculations in USPS-FY12-NP26, the costs reported in the CRA for "Other Ancillary Services" would increase by approximately \$5.0 million, with costs decreasing for Other Costs (Institutional) so that the overall cost is unchanged.

The cost of Change of Address Credit Card Authentication is reported in the D report (USPS-FY12-31 and USPS-FY12-NP13).

4. Competitive Post Office Box Service

The spreadsheet "Competitive and Market Dominant P.O. Box Attributable Costs 2012.xls" contains the calculation of the attributable costs for Competitive and Market Dominant Post Office Box services. A new element of this calculation is the costs for service enhancements for Competitive Post Office Boxes. This is described below. Apart from this, the split of total Post Office Box service costs into Market Dominant and Competitive is done using the same method as for FY2011, though the presentation of this looks different. As in FY2011, Post Office box attributable costs from the segments and component report are still apportioned to fee group and competitive vs. market dominant based on the proportions of the same three factors: numbers of occupied boxes, square footage of installed capacity and square footage of installed capacity adjusted for rental values. However, rather than just splitting the costs into Fee Groups 1-7 and E, Post Office box costs are split into an additional 7 categories to include the new competitive fee groupings. Costs for Fee Groups 1-7 are Market Dominant Post Office Box service costs. As per Docket No. RM2011-9, Proposal 1, the costs associated with Fee Group E are to be part of institutional costs. Attributable costs for Competitive Post Office boxes are calculated by summing the costs for the additional 7 new fee groups (which are Fee Group 31/38, Fee Group 32/39, Fee Group 33/40, Fee Group 34/41, Fee Group 35/42, Fee Group 36/43 and Fee Group 37/44). This split of Post Office box costs is reported in the D report (USPS-FY12-31 and USPS-FY12-NP13). The results of the calculation also differ from last year, since this was the first FY to include the significant shifts of boxes to competitive products.

There are two types of costs which are included for service enhancements offered with competitive Post Office Box service as indicated in Response of the United States Postal Service to Chairman's Information Request No. 5, Question 1(b), (November 6, 2012). The first cost is that associated with handling private carrier packages going to Post Office boxes with Street Addressing. An estimate of these costs has been made based on the estimated number of private carrier packages delivered in FY2011, relying on data from the initial 49 sites as shown in the spreadsheet "Competitive and Market Dominant P.O. Box Attributable Costs 2012.xls," tab "No. of Parcels." The per piece cost for handling a private carrier package is developed on tab "Private Carrier Parcel Costs." As shown there, this relies on the previously developed time estimates for acceptance at the window and the use of rural carrier contract time allotment for parcel delivery as a proxy for clerk time for putting a package in a Post Office box.

The second type of cost for the service enhancements is information technology (or IT). Information Technology costs consist of costs for the internal Move To Competitive (MTC) website, and additional servers and Engineering staff time needed to support the service enhancements, which totaled \$250,016 in FY2012. In terms of what was included in the Nov 6th response, \$61,500, vs. \$250,016, the difference is mostly due to the MTC website. This website provides a tool for postal employees to manage the service enhancements for their Competitive Post Office Box service locations. This is reported in the D report (USPS-FY12-31 and USPS-FY12-NP13)

5. Delivery Confirmation

This cost study is contained in the EXCEL file DelCon-FY 2012.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 to the First Class Package Services, Priority Mail and Parcel Select products is reported in the D report (USPS-FY12-31 and USPS-FY12-NP13).

6. Greeting Cards

The spreadsheet "Greeting Cards 2012.xls" contains the calculation of the attributable costs for Greeting Cards and Stationary.

7. Signature Confirmation

This cost study is contained in the EXCEL file "SigCon-FY 2012.xls." It contains the cost models and cost sheets that are used to develop Signature Confirmation unit cost estimates.

8. Shipping and Mailing Supplies

The spreadsheet "Shipping and Mailing Supplies2012.xls" contains the calculation of the attributable costs for Shipping and Mailing Supplies.

USPS-FY12-NP27

This item is entitled:

USPS-FY12-NP27 FY 2012 Competitive NSA Materials & Nonpostal
Materials

USPS-FY12-NP27 develops FY 2012 costs for competitive Negotiated Service Agreements (NSAs), market tests, and nonpostal services. These materials were provided previously in ACR2011, USPS-FY11-NP27. There is no corresponding public document.

In the text of the ACR, certain information regarding Competitive market tests and nonpostal services was omitted or redacted, with the notation that full or unredacted information would be available in the preface to USPS-FY12-NP27. That information is presented in the preface.

In addition to the preface, USPS-FY12-NP27 includes following NSA workbooks:

Overall summary of NSAs:

NSACostRevenueSummaryFY12.xls:

Partner cost analysis templates, with the naming convention:

[PartnerName]_[Product][ContractID]_Analysis_FY12.xls

Support workbooks that summarize costs for each competitive product category:

SupportPriority_FY12.xls

SupportExpress_FY12.xls

SupportGround_FY12.xls

Subfolders for each product category with detailed cost models:

Priority

Express

Ground (includes Parcel Select and Parcel Return Service)

The following items found in this report are used as input/output to USPS-FY12-NP27:

Items in this Report Used as Input to USPS-FY12-NP27

Item Number	Data/Information Used
USPS-FY12-5	<ul style="list-style-type: none"> Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Reallocated Trial Balances)
USPS-FY12-NP1	<ul style="list-style-type: none"> FY 2012 Competitive Product Billing Determinants
USPS-FY12-NP12	<ul style="list-style-type: none"> FY 2012 Non-public Cost Segments and Components Report
USPS-FY12-NP13	<ul style="list-style-type: none"> FY 2012 CRA Model (Model Files, Cost Matrices, and Reports)
USPS-FY12-NP14	<ul style="list-style-type: none"> FY 2012 CRA "B" Workpapers, (Non-Public Version)
USPS-FY12-NP15	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers – Parcels Cost Model (Non-public Version)
USPS-FY12-NP16	<ul style="list-style-type: none"> FY 2012 Special Cost Studies Workpapers – Bound Printed Matter and Parcel Post Transportation Costs / Bulk Parcel Return Service Cost Study (Non-public Version)
USPS-FY12-NP18	<ul style="list-style-type: none"> Cost Segment 3 Cost Pools & Other Related Information (Non-public Version)
USPS-FY12-NP19	<ul style="list-style-type: none"> FY 2012 Non-Operation Specific Piggyback Factors (Non-public Version)
USPS-FY12-NP20	<ul style="list-style-type: none"> FY 2012 Mail Processing Costs by Shape (Non-public Version)

Items in this Report Utilizing Output from USPS-FY12-NP27

Item Number	Data/Information Provided
USPS-FY12-NP13	<ul style="list-style-type: none"> • FY 2012 CRA Model (Model Files, Cost Matrices, and Reports)
USPS-FY12-NP28	<ul style="list-style-type: none"> • Rule 3050.14 Alternative Format Report for Competitive Products

USPS-FY12-NP28

This item is entitled:

USPS-FY12-NP28 Rule 3050.14 Alternative Format Report for Competitive Products

USPS-FY12-NP28 is presented in response to Commission Rule 3050.14. In addition to establishing the format for the Cost and Revenue Analysis Report (CRA) (“reflecting the classification structure in the Mail Classification Schedule”), that rule also calls for “an alternative, more disaggregated format capable of reflecting the classification structure in effect prior to the adoption of the Postal Accountability and Enhancement Act.” The Appendix to the Order adopting Rule 3050.14 (Order No. 203, April 16, 2009) provided an illustration of the type of alternative format contemplated by the rule.

This non-public folder presents the alternative format materials for Market Dominant and Competitive mail while attempting to revert back to their pre-PAEA mail categories the revenues, volumes, costs and weights of mail that had subsequently been moved to Competitive.

As noted in the main ACR document, the Postal Service intends to petition the Commission to remove the requirement to prepare the Alternative CRA for future ACRs, by striking the second sentence of Commission Rule 3050.14.

Predecessor documents are Docket No. ACR2011, USPS-FY11-NP28 and USPS-FY11-33. With the transfer of multiple products to the Competitive product list, it is now possible to use the Alternative CRA materials to derive information about Competitive products by comparing the Market Dominant information in the Alternative CRA materials to the Market Dominant information in the CRA. Therefore, the Postal Service is no longer filing a public version of the Alternative CRA materials. The material filed in previous years as USPS-FY11-33 is now subsumed into this Nonpublic folder; it appears in the file FY12 Alt Format Market Dom.xls.

None of the outputs of USPS-FY12-NP28 are specifically used as inputs to any other portions of the ACR, as the purpose of these materials is merely to comply with the rule requiring an alternative format presentation. The inputs used to compile the data displayed in USPS-FY12-NP28 come from a wide variety of sources, including the cost study models, RPW data, Billing Determinants, alternative runs of the CRA model, and the ICRA. Because postal data systems do not have the ability to gather data, particularly cost data, specifically for many of the categories in the Rule 3050.14 listing (for example, the Inter-BMC and Intra-BMC distinctions no longer exist in Parcel Post and Parcel Select, neither does the Postal Service have the ability to separate out the information for First-Class Parcels into their pre-PAEA categories), the methodologies used to attempt to populate this chart vary. Thus, the aggregation of cost data from underlying categories of mail from one report or estimation methodology may not always match those developed via a different estimation technique, and data for some categories may not exist at all. Ultimately, the costs, volumes and revenues available at the product level in the CRA are used as the defaults in USPS-FY12-NP28. The data at the more disaggregated levels, to the extent that they exist, may not sum to the CRA aggregate information at the product level.

USPS-FY12-NP28 consists of this Preface document, and three Excel files:

FY12 Alt Format Competitive.xls

FY12 Alt Format Market Dom.xls

FY12 FirstClassSplit.xls

USPS-FY12-NP29

This item is entitled:

USPS-FY12-NP29	Fiscal Year 2010 Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Non-Public Version)
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The Fiscal Year 2012 Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Non-Public Version) is an Excel workbook that adjusts amounts reflected in the September 2012 general ledger for year-end audit adjustments. This results in amounts that underlie the September 30 year-end financial statements. This workbook also reallocates year-end labor contract and performance award accruals back to the appropriate labor sub-account and breaks out cost component expenses not available directly from a general ledger account but obtained from another source such as a unique finance number or a subsidiary reporting system.

This material was provided as USPS-FY11-NP29 for the FY 2011 Annual Compliance Report filing (Docket No. ACR2011, December 29, 2011). A public version of this document is provided as USPS-FY12-5, Fiscal Year 2012 Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Public Version).

USPS-FY12-NP29, the Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Non-Public Version), is provided as an Excel workbook.

The Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Non-Public Version) is generated from general ledger data that are downloaded from the Postal Service's mainframe Accounting systems. General ledger accounts are sorted and grouped so that they correspond to the Cost and Revenue Analysis (CRA) Model's cost segments and components.

The following items found in this report are used as input/output to USPS-FY12-NP29:

Items in this Report Used as Input to USPS-FY12-NP29

Item Number	Data/Information Used
USPS-FY12-31	<ul style="list-style-type: none"> <li data-bbox="690 1018 1183 1108">FY 2012 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)
USPS-FY12-NP13	<ul style="list-style-type: none"> <li data-bbox="690 1123 1183 1169">FY 2012 CRA Model (Model Files, Cost Matrices, and Reports)

USPS-FY12-NP30

This item is entitled:

USPS-FY12-NP30 FY 2012 Revenue, Pieces, and Weight Report (Non-Public Version)

USPS-FY12-NP30 contains the U.S. Postal Service Revenue, Pieces, and Weight (RPW) Report for FY 2012.

Previously, the RPW materials have been provided to the Commission as part of periodic reporting. (Quarterly RPW reports will continue to be provided as part of periodic reporting.) The most recent quarterly RPW (for Quarter 4 of FY 2012) and the most recent annual RPW report (FY 2012) were filed on November 27, 2012. Revised Quarters 1, 2, and 3 (FY 2012) were also provided in the November 27, 2012 periodic filing. USPS-FY12-NP30 was provided as USPS-FY11-NP30 for the FY 2011 Annual Compliance Report filing.

The public version of the RPW material, which contains information on individual competitive products, is presented in USPS-FY12-42.

USPS-FY12-NP30 does not rely on input from any other set of material presented as part of the FY 2012 ACR. The revenue, pieces, and weight data by product provided in USPS-FY12-NP30, however, are used as inputs for many portions of the ACR, as well as several other Postal Service reports.

In addition to this Preface, USPS-FY12-NP30 consists of five Excel files containing annual and quarterly FY 2012 RPW data. The following is a list of those files:

FY2012Q1_RPWSUMMARYREPORT_RESTRICTED.XLS (revised)
FY2012Q2_RPWSUMMARYREPORT_RESTRICTED.XLS (revised)
FY2012Q3_RPWSUMMARYREPORT_RESTRICTED.XLS (revised)
FY2012Q4_RPWSUMMARYREPORT_RESTRICTED.XLS
FY2012_RPWSUMMARYREPORT_RESTRICTED.XLS

SECTION TWO: METHODOLOGY CHANGES Public Information

This section identifies the material changes in methodology reflected in the associated materials. In most instances, more detailed discussion can be found in the individual items references.

USPS-FY12-1 FY 2012 Public Cost and Revenue Analysis (PCRA) Report

The PCRA conforms to the Postal Regulatory Commission (PRC) methods for calculating attributable costs, which are revised annually. The Negotiated Service Agreement costs reported in the CRA, however, reflect a final adjustment made to the costs from separate analyses as the data became available.

USPS-FY12-2 FY 2012 Public Cost Segments And Components Report

The FY 2012 Public Cost Segments and Components Report conforms to the methodology most recently applied in the Commission's FY 2011 Annual Compliance Determination, except for the methodology changes to the CRA 'B' workpapers discussed in USPS-FY-32.

USPS-FY12-3 FY 2012 Discounts and Passthroughs of Workshare Items

Similar in method to last year in USPS-FY11-3, discounts are developed by taking the differences between the current prices of the workshared pieces and benchmark pieces as shown on USPS Notice 123—Price List, effective April 17, 2011. Passthroughs are calculated for each discount as the ratio of the discount to the avoided cost.

For the Periodicals class, bundle and container prices are presented as a percentage of cost. It should be noted that these calculations are not cost avoidances or worksharing passthroughs.

USPS-FY12-4 FY 2012 Market Dominant Billing Determinants

The methodologies used to produce the FY 2012 Billing Determinants follow the methodologies used in the FY 2011 and earlier versions of the billing determinants.

USPS-FY12-5 Cost Segment and Components Reconciliation to Financial Statements and Account Reallocations (Reallocated Trial Balances)

Lump sums totaling \$138 million for early-out incentive payments made to personnel from all areas of the Postal Service were moved from Cost Segment 1: Postmasters (\$88 million), Cost Segment 2: Supervisors & Technical Personnel (\$4 million), and Cost Segment 3: Clerks & Mailhandlers (\$46 million) to Cost Segment 18 (HQ & Area Administration & Corporatewide Personnel Costs), component 1430 (Miscellaneous Personnel Compensation). Otherwise, no substantive changes were made to cost segments or components or to the structure of the workbook in FY 2012.

USPS-FY12-6 General Classification of Accounts

The contents of USPS-FY012-6 were downloaded from the Postal Service's mainframe computer on December 3, 2012. Therefore, it reflects account information as of that date. Account numbers and account descriptions can change on a monthly basis.

USPS-FY12-7 Cost Segment 3 Cost Pools and Other Related Information

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.

USPS-FY12-8 Equipment and Facility Related Costs

USPS-FY12-8 uses the same equipment cost methodology as USPS-FY11-8 from Docket No ACR2011. Equipment depreciation declined significantly in FY2012 due to large declines in the depreciation associated with AFSM 100s and IMD Scanners, as this equipment is nearly fully depreciated.

USPS-FY12-9 ACR Roadmap Document

There have been no changes in methodology for this item.

USPS-FY12-10 FY 2012 Special Cost Studies Workpapers - Letter Cost Models (First and Standard)

The First-Class Mail presort letters and cards and Standard Mail presort letters cost models rely on the Docket No. R2006-1 Postal Regulatory Commission (PRC) methodology and also incorporate the modifications described in Docket No. RM2011-5, Proposal Nine. The Proposal Nine modifications include updates to several cost model inputs and a revised bundle sorting cost methodology that was approved by the Commission in Order No. 741.

The Postal Service proposed the addition of new mail processing cost pools in Docket No. RM2011-12, Proposal Five and Proposal Six. The Commission subsequently approved those proposals in Order No. 920. The USPS-FY11-26 cost by shape estimates therefore contain seven additional cost pools that need to be distributed using the Commission's cost pool classification methodology.

Docket No. RM2012-1; Proposal Twelve, Order No. 1153 modifies the mail processing cost model applicable to the Standard mail presort letters to disaggregate the mail processing costs of Standard nonautomation machinable MAADC and AADC presort letters.

Docket No. RM2012-2, Proposal Nineteen, Order No. 1383 modifies the mail processing cost model applicable to the First-Class mail presort letters to develop separate cost estimates for the nonautomation machinable MAADC and the AADC categories.

USPS-FY12-11 FY 2012 Special Cost Studies Workpapers - Flat Cost Models (First and Standard) & Periodicals Cost Model

USPS-FY12-11 uses the PRC's Docket No. RM2012-2, Proposal Eighteen cost methodology, except:

All three class-models have been setup with toggle switches in the worksheet 'Switches' to allow the user to turn "off" or "on" the proposed modification from Proposal Nine (Docket No. RM2012-8). Pending approval by the PRC, Proposal Nine modifications have been turned "off" to adhere to the PRC-approved methodology. An alternate version has been filed with all modifications turned "on" to yield the alternate methodology filed in Docket No. RM2012-8.

USPS-FY12-12 Standard Mail Parcel/ Not Flat Machinable Cost Study

The Standard Mail parcel / Not Flat-Machinable mail processing cost model relies on the same methodology presented in Docket No. ACR2011, USPS-FY11-12.

USPS-FY12-13 FY 2012 Special Cost Studies Workpapers – Drop Ship Cost Avoidances for Periodicals and Standard Mail

The Standard Mail and Periodicals destination entry cost models rely on the same methodologies presented in Docket No. ACR2011, USPS-FY11-13.

USPS-FY12-14 Mail Characteristics Study (Public Version)

No methodological changes have been made since Docket No. ACR 2011.

USPS-FY12-15 FY 2012 Special Cost Studies Workpapers – Bound Printed Matter Mail Processing Cost Model / Media Mail – Library Mail Processing Cost Model

The Bound Printed Matter mail processing cost model relies on the same methodology presented in Docket No. ACR2011, USPS-FY11-15. The Media Mail – Library Mail mail processing cost model relies on the methodology presented by the Postal Service in Docket No. RM2012-1, Proposal Thirteen, which was subsequently approved by the Commission in Order No. 1153 (issued on January 20, 2012).

USPS-FY12-16 FY 2012 Special Cost Studies Workpapers – Bound Printed Matter Transportation Costs / Bulk Parcel Return service Cost Study

The Bound Printed Matter transportation cost model and the Bulk Parcel Return Service cost model rely on the same methodologies presented in Docket No. ACR2011, USPS-FY11-16.

USPS-FY12-17 FY2012 Comprehensive Statement of Postal Operations

USPS-FY12-17 relies on the same methodology, described below, as presented in Docket No. ACR2011, USPS-FY11-17

In order to reduce duplication of information and improve clarity, the Postal Service combines its Annual Report to Congress and its Comprehensive Statement on Postal Operations into a single report. Wherever possible, more detailed financial and operational data is provided online and in other more specialized reports, such as this Annual Compliance Report to the Postal Regulatory Commission, financial reports such as the 10-K and 10-Q, safety reporting to the Occupational Safety and Health Administration (OSHA), sustainability and energy reports to the Environmental Protection Agency, and other reports.

USPS-FY12-18 FY2012 ECR Mail Processing Unit Costs

This analysis uses the same basic methodology as described in Docket No. R2006-1, USPS-LR-L-107. The methodology for the calculation of Standard ECR unit costs is the same as used in Docket No. ACR2011, USPS-FY11-18 (FY2011 ECR Mail Processing Costs), spreadsheet FY11 ECR Unit Costs.xls.

USPS-FY12-19 FY 2012 Delivery Costs By Shape

USPS-FY12-19 utilizes the established methodology from PRC-ACR2011-LR6. There are two reporting changes to USPS-FY12-19 as compared to previous versions. One, USPS-FY12-19 does not report delivery costs for Carrier Route. The Commission accepted this proposal proffered by the Postal Service in Docket No. RM2012-5, Order 1462, Proposal One, dated September 10, 2012. Two, USPS-FY12-19 reports the collection costs for First Class Metered Letters in accordance with the methods established in Docket No. RM2010-13, Order 1320, dated, April 20, 2012. The required inputs for this calculation can be found in workbook UDCInputs12, tab FCSP_Collection_Cost_By_Indicia and the direct calculations can be found in workbook UDCModel12, tab FCSP_Collection_Cost_By_Indicia.

USPS-FY12-20 FY 2012 Window Service Cost by Shape

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. ACR2011, USPS-FY11-20, and predecessor documents provided with the 2008 through 2010 Annual Compliance Reports. Following the transfer of commercial First-Class Mail parcels to the competitive product list (Order No. 710, Docket No. MC2011-22), costs for presorted First-Class Mail parcels are no longer reported in USPS-FY12-20. However, window service costs and piggyback factors for competitive First-Class Mail parcels may be obtained from, respectively, USPS-FY12-NP3 and USPS-FY12-NP19.

USPS-FY12-21 FY 2012 QBRM and BRM Costs

The Business Reply Mail cost model relies on the methodology that was presented by the Postal Service in Docket No. RM2012-2, Proposal Twenty, which was subsequently approved by the Commission in Order No. 1383 (issued June 26, 2012).

USPS-FY12-22 FY 2012 Bound Printed Matter Mail Processing Costs

This analysis uses the same methodology as described in Docket No. R2006-1, USPS-LR-L-109. This methodology was also used in Docket No. ACR2007, USPS-FY07-22, Docket No. ACR2008, USPS-FY08-22, Docket No. ACR2009, USPS-FY09-22, Docket No. ACR2010, USPS-FY10-22, and Docket No. ACR2011, USPS-FY11-22.

USPS-FY12-23 MODS Productivity Data

The productivities for plant and NDC operations employ data from the Management Operating Data System (MODS) processed using the methodology from Docket No. R2006-1, USPS-LR-L-56, Part III. Productivities for Remote Encoding Center (REC) operations are based on image volumes and console hours from the WebROADS system, adjusted for "overhead" workhours included in the MODS workhour total. CSBCS productivity is calculated using the methodology described in RM2010-5 Proposal Twenty-Seven (approved in Postal Regulatory Commission Order No. 394).

For FY2012, the MODS productivity reporting has been changed per Docket No. RM2012-2, Proposals Sixteen and Seventeen, approved in Order No. 1383. These modifications add a productivity measurement for Flats Sequencing Sorter (FSS) operations, and consolidate groups for automated letter sorting operations. The FSS productivity includes volumes and workhours for FSS operations at both plants and at NDCs.

Operation group 4 has been retitled from "LMLM" (Letter Mail Labeling Machine) to "LMLM and LCREM," without a change to the underlying MODS operation assignments. The LCREM (Low Cost Reject Encoding Machine) is a replacement for the LMLM; in FY2012, LCREM deployment was completed and LMLM equipment was withdrawn from service. Thus, the Postal Service expects that group 4 will consist entirely of LCREM operations for FY2013.

USPS-FY12-24 FY 2012 Non-Operation Specific Piggyback Factors (Public Version)

USPS-FY12-24 uses the PRC cost methodology from Docket No. R2006-1, as described in the testimony of witness Marc Smith, USPS-T-13 and also Docket No. ACR2007, USPS-FY07-24.

USPS-FY12-25 FY 2012 Mail Processing Piggyback Factors (Operation Specific)

USPS-FY12-25 uses the same methodology as USPS-FY11-25 from Docket No. ACR2011. This is the PRC cost methodology from Docket No. R2006-1, as described in the testimony of witness Marc Smith, USPS-T-13. The only change was the addition of a new piggyback factor for combined operations of Low Cost Reject Encoding Machine (LCREM) and Letter Mail Labeling Machine (LMLM). Calculation modifications were made to accommodate the changes in the LCREM equipment category as discussed in USPS-FY12-8.

USPS-FY12-26 FY 2012 Mail Processing Costs by Shape (Public Version)

USPS-FY12-26 uses the same methodology as USPS-FY11-26 from Docket No. ACR2011.

USPS-FY12-27 FY 2012 Nonprofit Mail Cost Approximations

A methodological change from USPS-FY11-27 is the addition of the Simplified Address categories in ECR. The costs for the Simplified Address mail pieces were assumed to be the same as those for Saturation mail pieces of similar shape, presort level and dropship level.

USPS-FY12-28 FY 2012 Special Cost Studies Workpapers – Special Services

USPS-FY12-28 relies on the Postal Regulatory Commission (PRC) cost methodology found in USPS-FY11-28 and on Order No. 1153, Docket No. RM2012-1.

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 proposed updates to 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 was subsequently approved in Order No. 1153, after the FY11 ACR was filed. The latest approved version of these Special Services cost models is used for FY12.

The Postal Service also proposed to correct and improve the cost models related to Return Receipt service in Proposal 15 (Docket No. RM2012-1). Proposal 15 was also approved in Order No. 1153. As a result, the latest approved version of the Return Receipt cost model is used for FY12.

USPS-FY12-29 FY 2012 Service Performance of Market Dominant Products

The basic methodology used for service performance measurement is the same as in ACR2011 USPS-FY11-29.

In sum, USPS-FY12-29 relies on service standards, targets, and measurement methods established by the Postal Service upon consultation with the Commission, as reflected in 72 Fed. Reg. 58,946 and 72 Fed. Reg. 72,216 and in PRC Docket Nos. PI2008-1, RM2009-11, RM2010-11, RM2010-14, RM2011-1, and RM2011-4. As required by 39 C.F.R. § 3055.2(e), the measurement systems, methodologies, and proxies used for each product are described in the attached reports.

USPS-FY12-30 FY 2012 Market Dominant NSA Materials

The NSA Documentation calculates the cost associated with each NSA based on implicit unit cost data from the unit cost model (FY 12 NSA Unit Cost Detail Data Calculations.xls). For each NSA, the implicit unit cost for each rate category is multiplied by the volume in that rate category. The resulting costs by rate category are summed for each NSA. Subtracting this total cost from the total revenue associated with each NSA results in the total contribution for the NSA, which is then divided by the total volume to yield average contribution per piece. This figure is then multiplied by the volume above the threshold to calculate the incremental contribution from the NSA. Finally, the rebate paid is subtracted from the incremental contribution to calculate the net value of the NSA to the Postal Service.

In the FY 12 NSA Unit Cost Detail Data Calculations.xls spreadsheet, disaggregated data is used for First Class Presort Flats where available and combined single and presort data is used where it is not available.

USPS-FY12-31 FY 2012 CRA Model (Model Files, Cost Matrices, and Reports) (Public Version)

The CRA model documented in USPS-FY12-31 uses the same cost methodology and structure as that filed in Docket No. ACR2011, with the following modifications:

1. The name of component 186 was changed to 'Incentive Fees'.
2. Other Competitive Ancillary Services was added to the CRA.DIM.xls as mail class 176, and was marked as 'Print in D Report Only'.
3. First-Class Package Service was added to the CRA.DIM.xls as mail class 180.
4. In the CRA.DIM.xls, First-Class Presort, class 20, and Total First-Class Parcels, class 15, were removed. The label for class 19 was changed to Parcels, with a parent class of 100.

USPS-FY12-32 FY 2012 CRA “B” Workpapers (Public Version)

For purposes of this annual report, and consistent with the Postal Accountability and Enhancement Act, the “B” Workpapers for FY 2012 adhere to the Postal Regulatory Commission (PRC) methods. The USPS-FY12-32, “B” Workpapers, include the following methodological changes from FY 2011.

Cost Segment 3

Updated encirclement rules in the In-Office Cost System (IOCS) for Inbound International Registered Mail and for certain other Extra Services to reflect changes in operations and to correct inconsistencies. For Collect on Delivery (COD), Certified, Insured, and Signature Confirmation Extra Services, encirclement were added for certain mail processing and window operations (Docket No. RM2012-5, Proposal Three, Order 1462, September 10, 2012).

IOCS made the following changes to its reporting codes: (1) streamlined In-Office Cost System (IOCS) activity codes by eliminating codes that were no longer used for costing; (2) combined the operation codes for Outgoing Primary Distribution and Outgoing Secondary Distribution into one code; (3) added a code for Managed Mail Distribution; and (4) added or changed codes to account for the recent transfers of Parcel Select Lightweight and First-Class Package Service to the competitive product list (Docket No. RM2012-5, Proposal Four, Order No 1462, September 10, 2012).

Cost Segment 6

Updated encirclement rules in the In-Office Cost System (IOCS) for Inbound International Registered Mail and for certain other Extra Services to reflect changes in operations and to correct inconsistencies. For Collect on Delivery (COD), Certified, Insured, and Signature Confirmation Extra Services, encirclement were added for certain mail processing and window operations (Docket No. RM2012-5, Proposal Three, Order 1462, September 10, 2012).

IOCS made the following changes to its reporting codes: (1) streamlined In-Office Cost System (IOCS) activity codes by eliminating codes that were no longer used for costing; (2) combined the operation codes for Outgoing Primary Distribution and Outgoing Secondary Distribution into one code; (3) added a code for Managed Mail Distribution; and (4) added or changed codes to account for the recent transfers of Parcel Select Lightweight and First-Class Package Service to the competitive product list (Docket No. RM2012-5, Proposal Four, Order No 1462, September 10, 2012).

Cost Segment 7

Extended an existing costing methodology to: (1) the costs of USPS Tracking Barcode delivery scans performed by city carriers during street activities (cost segment 7); and (2) the costs of all non-accountable delivery scans performed by city carriers during street activities, including any other non-accountable delivery scans that the Postal Service may introduce in the future (Docket No. RM2012-5, Proposal Two, Order 1462, September 10, 2012).

Cost Segment 8

Assigned attributable Vehicle Service Driver costs to products using distribution factors derived from a new subsystem of the Transportation Cost System (TRACS) called TRACS-VSD (Docket No. RM2012-5, Proposal Five, Order No 1462, September 10, 2012).

Replaced the current, study-based parcel densities in the Transportation Cost System (TRACS) Highway Subsystem with actual parcel dimensional data now regularly captured on TRACS-Highway tests. These densities are used to develop distribution keys for assigning volume-variable costs to postal products in Cost Segment 8 and Cost Segment 14 (Docket No. RM2012-7, Proposal Seven, Order No 1462, October 24, 2012).

Cost Segment 10

The rural evaluation factor for random letters has been corrected to 0.6978 from 0.6999 seconds per piece. Consistent with the treatment of these scans in the Rural Mail Count, tracking barcode scans have been added to the distribution key for non-signature scan items.

Cost Segment 14

Replaced the current, study-based parcel densities in the Transportation Cost System (TRACS) Highway Subsystem with actual parcel dimensional data now regularly captured on TRACS-Highway tests. These densities are used to develop distribution keys for assigning volume-variable costs to postal products in Cost Segment 8 and Cost Segment 14 (Docket No. RM2012-7, Proposal Seven, Order No 1462, October 24, 2012).

USPS-FY12-33 Consumer Access to Postal Services

None.

However, in regard to the collection box data provided herein, note that the Postal Service uses an inventory tool called the Collection Point Management System (CPMS) to collect data on collection boxes throughout the nation. The CPMS inventory tool does not currently have the capability of tracking the number of collection boxes removed or the number of collection boxes added during a specific fiscal year. The Postal Service is in the process of adding this functionality to CPMS and anticipates being able to provide such information for Fiscal Year 2014.

USPS-FY12-34 City Carrier Cost System (CCCS) Statistical and Computer Documentation (Public Version) (Source Code and Data on CD-ROM)

Documentation for the CCCS is provided in USPS-LR-L-11, Docket No. R2006-1, included complete programs and descriptions for sample frame development and sample selection. Those programs and descriptions have incurred no substantive changes and are not reproduced herein. The estimation programs and output formats have incurred no substantive changes and are described in the CCCS System Documentation.

Estimates of USPS Tracking Number barcodes are now provided (see Proposal Two, Docket No. RM2012-5, approved by the PRC in Order No. 1462 on September 10, 2012).

USPS-FY12-35 Rural Carrier Cost System (RCCS) Statistical and Computer Documentation (Public Version) (Source Code and Data on CD-ROM)

Documentation for the RCCS provided in USPS-LR-L-12, Docket No. R2006-1 included complete programs and descriptions for sample frame development and sample selection. Those programs and descriptions have incurred no substantive changes and are not reproduced herein. The estimation programs and output formats have incurred no substantive changes and are described in the RCCS System Documentation section below.

USPS-FY12-36 Transportation Cost Systems (TRACS) Statistical and Computer Documentation (Public Version) (Source Code and Data on CD-ROM)

The TRACS Surface (Highway) subsystem methodology is the same as in Docket No. ACR2011: USPS-FY11-36, except for following two major improvements:

- Change to Methodology of Distributing Costs Incurred by Vehicle Service Drivers.

In FY12, the TRACS Surface (Highway) subsystem utilizes a new statistical subsystem mode and associated distribution key for distributing attributable costs of Vehicle Service Drivers (VSD, Cost Segment 8) to the classes and subclasses of mail. Vehicle service drivers provide transportation for the efficient movement of large mail volumes among post offices, stations, branches, and other postal facilities, including air mail facilities as well as various private firms. In FY11, \$585 million of VSD attributable costs (including piggybacked costs) were distributed to postal products, using Intra-SCF cubic-foot miles as a proxy distribution key. The new distribution key for VSD costs is developed under a TRACS Surface subsystem mode named TRACS-VSD. Upon evaluating the sample design, sample selection, data collection and estimates including CV's, the Commission concluded 'that the new methodology reflects the appropriate relative use of VSD transportation by different classes and subclasses of mail', and that this new methodology provides 'a significant improvement over the use of a proxy distribution key'. This proposal and its acceptance by the Commission are documented in Docket No. RM2012-5, Proposal Five (June 26, 2012), and Order No. 1462 (September 10, 2012). The TRACS-VSD methodology was implemented retroactively, effective Q1, FY12.

- TRACS Change to Parcel Density Process.

Under the TRACS Surface (Highway) subsystem, the Postal Service distributes transportation costs to mail categories based on estimates of cubic-foot-mile proportions. To obtain cubic-foot estimates from sampled letters, flats, and parcels, the Postal Service uses periodically updated density study information to derive the cubic-foot component of the cubic-foot-mile distribution key for each TRACS Surface subsystem mode. The Postal Service proposed replacing the indirect density study-based process for parcels with a direct measurement process utilizing actual dimensional length, width and height information captured and recorded for parcel shaped mail during live-mail sampling. A direct cubic-foot measurement approach utilizing actual dimensional information obtained from sampled parcels is a natural and preferred measurement methodology. Though the net effect of this improvement on the combined Cost Segment 8 and 14 distributed costs is

miniscule (less than \$0.01 per piece for all but 2 mail categories based on an FY11 to FY12 Q3-YTD comparative analysis), the new cubic-foot measures reflect a significant improvement in reliability over time since the dimensional information now being captured is continuously updated across sampling periods, and as a result, it more accurately reflects actual activity found on trucks and vans. In approving this proposal, the Commission stated that this change 'improves the accuracy of TRACS distribution keys for allocating highway transportation costs to products'.

The TRACS Change to Parcel Density Process proposal is documented in Docket No. RM2012-7, Proposal Seven (September 4, 2012). The Commission acceptance of this proposal is documented in Order No. 1516 (October 24, 2012). The TRACS Parcel Density Process change was implemented retroactively, effective Q1, FY12.

USPS-FY12-37 In-Office Cost System (IOCS) Statistical and Computer Documentation (Public Version) (Source Code and Data on CD-ROM)

For FY12, IOCS methodology is the same as described in Docket ACR2011: USPS-FY11-NP21, except for the changes listed below that were approved by PRC Order No. 1462, September 10, 2012, Docket No. RM2012-5.

Proposal 3 of Docket No. RM2012-5 updated the encirclement rules for Inbound International Registered, COD, Certified, Insured and Signature Confirmation. These rules determine when to assign cost to the Extra Service rather than to the host mailpiece and are implemented in program ALB080.

Proposal 4 primarily streamlined IOCS reporting. IOCS activity codes that are not used for costing (that used to distinguish various levels of presort and automation) are no longer reported. Also, Outgoing Primary and Outgoing Secondary are combined into one uniform operation code, while a new Managed Mail operation code has been introduced.

In addition, as part of regular maintenance associated with the introduction of new products First-Class Package Service and Parcel Select Lightweight, activity codes have been introduced or redefined. All changes in activity codes and uniform operation codes are listed in Appendix A.

USPS-FY12-38 USPS Market Dominant Product Customer Satisfaction Measurement (CSM) Survey Instruments

The CSM methodology is the same as in Docket No. ACR2011: USPS-FY11-38.

Randomly selected Residential customers are mailed surveys and given the option of returning them by mail or completing them online. Small and Medium-sized business customers (those with fewer than 250 employees at one site) are also randomly selected to be mailed surveys and can choose to respond by mail or online. Large business survey customers with 250 or more employees at one location are mailed an invitation and asked to complete an online survey.

Survey Type	Number of Surveys Initiated	Number of Surveys Received*
Residential	2,110,628	304,102
Small/Medium Business	4,231,285	325,530
Large	48,493	3,861

* This is the number of surveys which were sufficiently complete to be analyzed and have their results reported.

Note that Question 20 in the Residential and Small/Medium Business surveys is a “rotating” question with the subject of the question changing quarterly. The four rotating questions asked in FY 2012 were:

Quarter 1: If you have used the www.usps.com Web site recently, please indicate your agreement with each statement below. (Strongly Agree, Somewhat Agree, Neither Agree nor Disagree, Somewhat Disagree, Strongly Disagree, Don't Know)

- a. Useful to find pricing information
- b. Useful to find USPS regulations
- c. Useful to track items I send or receive
- d. Useful to ship packages
- e. Useful to purchase stamps and other USPS products

Quarter 2: Please indicate your agreement with each statement based on your most recent telephone contact with your local Post Office. (Strongly Agree, Somewhat Agree, Neither Agree nor Disagree, Somewhat Disagree, Strongly Disagree, Don't Know)

- a. Time it took for a Postal employee to answer the phone was reasonable.
- b. If placed on hold, my time waiting to speak with a USPS employee was reasonable.
- c. I was provided the information I needed by the first person who spoke with me.
- d. Followed through with any actions that were promised.
- e. Seemed to genuinely care about my question or problem.

Quarter 3: Please indicate your agreement with each statement based on your experience using USPS Self-Service Mailing and Shipping Center (automated kiosk machine). (Strongly Agree, Somewhat Agree, Neither Agree nor Disagree, Somewhat Disagree, Strongly Disagree, Don't Know)

- a. Self-service Mailing and Shipping Center is easy to use.
- b. Self-service is a better option than a retail associate to complete my mailing needs.
- c. Allowed me to complete transaction needed.
- d. Quickly allowed me to complete transaction.
- e. I would recommend the Self-Service Mailing and Shipping Center to friends.

Quarter 4: Please indicate your agreement with each statement based on your most recent telephone contact with your local Post Office. (Strongly Agree, Somewhat Agree, Neither Agree nor Disagree, Somewhat Disagree, Strongly Disagree, Don't Know)

- a. Time it took for a Postal employee to answer the phone was reasonable.
- b. If placed on hold, my time waiting to speak with a USPS employee was reasonable.
- c. I was provided the information I needed by the first person who spoke with me.
- d. Followed through with any actions that were promised.
- e. Seemed to genuinely care about my question or problem.

USPS-FY12-39 FY 2012 Competitive Products Fund Reporting Materials

There have been no changes in methodology for this item.

These materials draw upon cost and revenue data reported throughout the Postal Service's FY12 ACR, and therefore are implicitly based on the methodologies upon which the ACR is based. For purposes of specifically developing the PRC Forms, the procedures employed track those previously endorsed by the Commission.

USPS-FY12-40 Rural Mail Court

There have been no changes in methodology for this item.

USPS-FY12-41 2011 International Market Dominant Billing Determinants

The methodology used to assemble these billing determinants is consistent with that used in ACR2011 USPS-FY11-41.

USPS-FY12-42 FY 2012 Revenue, Pieces, and Weights

USPS-FY11-42 generally uses the same methodologies to produce previous RPW reports, but also reflects the following specific changes in methodology and format for FY 2012:

1. We removed all references to Mailing and Shipping Services. Previously, these were referenced as 'Mailing Services (Market Dominant Products)' and Shipping Services (Competitive Products)'. Now, they are referenced by the Mail Classification Schedule (MCS) names of Market Dominant and Competitive.
2. A new First-Class Package Service product section is added in Shipping Services. This relates to the transfer of lightweight commercial parcels from Market Dominant to Competitive (Docket No. MC2011-12 and Order No. 710).
3. A new line in the Shipping Services Special Services section of the RPW Report is provided for competitive Post Office Box Service revenue.

4. Nonpostal Services: The Commission's Annual Compliance Determination Report (ACD), Fiscal Year 2010, directed the Postal Service to report Nonpostal Services with Other Revenue (ACD, Chapter IX, at 152). The FY12 RPW Reports now include the reporting of Market Dominant Nonpostal Services with Other Mailing Services and Competitive Nonpostal Services with Other Shipping Services Revenue.
5. First-Class Single Piece Letters and Cards Automated Redirect Forwarded/Returned Mail: First-Class Single Piece Letters and Cards now include the revenue that had been inappropriately excluded for letters and cards that had been automatically redirected to their forwarded destination. Volume and weight were increased as well. FY 2011 revenues and volumes were updated in the SPLY column so that direct comparisons can be made to last year.
6. Inbound International: The reporting of inbound revenues, volumes, and weight related to settlements with foreign postal administrations now uses the Foreign Postal Settlement System (FPS). FPS is an accounting accrual system for international settlement that took effect in January 2010. The Postal Service proposed this as a change in analytical principles in Docket No. RM2011-12, and the Commission approved it in Order No. 920.
7. Parcel Select Lightweight: Following from the Commission's conditional approval of the transfer of commercial Standard Mail parcels to competitive with Order No. 689, on January 22, 2012, reporting for Parcel Select Lightweight began under the Parcel Select mail class.
8. Competitive Post Office Box Rents: On January 22, 2012, 6,800 Post Office Box locations joined the existing 49 locations on the competitive product list (Docket No. CP2012-2, Order No. 997). These Post Office Box locations were approved in Docket No. MC2012-20, Order 473. Revenue relating to this change now appears in the Post Office Box Service line of the competitive Special Services section of the report, and a footnote has been added explaining this change.
9. Other Changes: Starting in Quarter 2, PostalOne reports activity for the following categories: Certified, Return Receipt, Restricted Delivery, Return Receipt for Merchandise, Signature Confirmation, and Return Receipt – Electronic. These were previously reported through sampling data.

USPS-FY12-43 Scenario Analysis for Standard Mail Contribution

Six models are “prospective,” or forward-looking for eight years. The seventh model is “retrospective,” or backward-looking for slightly more than three years (to May 11, 2009). The first six models compare Standard Mail Flats to All Other Standard Mail, and therefore account for all authority under the Standard Mail price cap. The seventh model incorporates a streamlined – though still illustrative – Standard Mail Flats vs. Letters paradigm. The models apply hypothetical price change scenarios specified by the user, compute own price demand responses and cost responses to price and volume changes, and compute resulting “after rates” revenue, cost, and contribution. The models allows the user to vary key inputs, if desired. Following is a brief description of each of the models.

1. StdProspectiveV1a.xlsx (“Version 1a”). These tests hypothetically increasing the Flats price by 5 cents in each of two consecutive years against a more measured pricing approach reflecting CPI. Differential contribution impacts over eight years are estimated.
2. StdProspectiveV1b.xlsx (“Version 1b”). This repeats Version 1a but assumes that attributable costs, for both Flats and All Other Standard Mail, are 90 percent variable. Differential contribution impacts over eight years are estimated.
3. StdProspectiveV1c.xlsx (“Version 1c”). This repeats Version 1a but drops the assumption that Flats and All Other volumes are trending independently. Instead, it is assumed that both trends are -2 percent per year. Differential contribution impacts over eight years are estimated. By comparing this version to Version 1a, the effect on contribution of independently trending volume, which the Postal Service perceives, can be isolated.
4. StdProspectiveV2a.xlsx (“Version 2a”). This tests hypothetically increasing the Flats price by 5.373 percent over inflation for three consecutive years against a more measured pricing approach reflecting CPI. Differential contribution impacts over eight years are estimated.
5. StdProspectiveV2b.xlsx (“Version 2b”). This repeats Version 2a but assumes that attributable costs, for both Flats and All Other Standard Mail, are actually only 90 percent variable. Differential contribution impacts over eight years are estimated.
6. StdProspectiveV2c.xlsx (“Version 2c”). This repeats Version 2a but drops the assumption that Flats and All Other volumes are trending independently. Instead, it is assumed that both trends are -2 percent per year. Differential contribution impacts over eight years are estimated. By comparing this version to Version 2a, the effect on contribution of

independently trending volume, which the Postal Service perceives, can be isolated.

7. StdRetrospective.xls. This tests a “what if?” scenario – if Flats prices had been increased by 5 cents In FY 2009 and again in FY 2011 – against actual Flats price increases from FY 2009 through FY 2012. Differential contribution impacts over the 3+ years are estimated.

SECTION TWO: METHODOLOGY CHANGES
Non-Public Annex

USPS-FY12-NP1 FY 2012 Competitive Product Billing Determinants

The methodologies used to produce the FY 2012 Domestic Competitive Product Billing Determinants follow the methodologies used in the FY 2011 and earlier versions of the billing determinants. Modifications were made to the structure of the billing determinants as necessary to reflect changes to postal product classifications that were implemented during the fiscal year.

USPS-FY12-NP2 FY 2012 International Cost and Revenue Analysis (ICRA) Report

This item uses the PRC cost methodology from Docket No. R2006-1, with any modifications defined in USPS-FY12-NP13 and the following Modifications of Analytical Principles in Periodic Reporting:

RM2010-12 (Order No. 658) Proposal Six—Proposal to Incorporate Certain IOCS Tally Analysis Directly into the ICRA

RM2011-5 (Order No. 724) Proposal Eleven—Separate Reporting of Financial Results for Inbound and Outbound IMTS

RM2012-1 (Order No. 963) Proposal Nine—Proposed Change in Method for International Cost and Revenue Analysis (ICRA) Report

RM2012-5 (Order No. 1388) Proposal One—Elimination of Separate Delivery Costs For Carrier Route Letters, Flats, and Parcels

RM2012-5 (Order No. 1388) Proposal Two—Calculation of Scanning Costs for All Non-Accountable Delivery Scans

RM2012-5 (Order No. 1388) Proposal Three—Changes in IOCS Encirclement Rules

RM2012-5 (Order No. 1388) Proposal Four—Changes to IOCS Reporting Codes

RM2012-5 (Order No. 1388) Proposal Five—Change to Methodology of Distributing Costs Incurred by Vehicle Service Drivers

RM2012-5 (Order No. 1388) Proposal Six— Use of Foreign Postal Settlement System Data for Reporting of Inbound International Revenue, Pieces, and Weights in the ICRA

Additionally, the FY12 hardcopy format reflects the Market Dominant and Competitive product distinctions, although the FY07 format is available in the OldFormat.xls file in the Excel model.

USPS-FY12-NP3 FY 2012 International Cost Segments and Components Report (Hard Copy and Excel)

This item uses the PRC cost methodology from Docket No. R2006-1, with any modifications defined in USPS-FY12-NP13 and USPS-FY12-NP2.

USPS-FY12-NP4 FY 2012 ICRA Domestic Processing Model (Cost matrices, Reports, Control File, & Changes)

This item uses the PRC cost methodology from Docket No. R2006-1, with any modifications defined in USPS-FY12-NP13 and USPS-FY12-NP2.

USPS-FY12-NP5 FY 2012 ICRA Overview/Technical Description

This item uses the PRC cost methodology from Docket No. R2006-1, with any modifications defined in USPS-FY12-NP13 and USPS-FY12-NP2.

USPS-FY12-NP6 FY 2012 International Cost Segment Spreadsheets

This item uses the PRC cost methodology from Docket No. R2006-1, with any modifications defined in USPS-FY12-NP13 and USPS-FY12-NP2.

USPS-FY12-NP7 FY 2012 Cost Segment 3 International Subclass Costs by Cost Pools (Volume Variable Cost Pools)

USPS-FY12-NP7 uses the PRC mail processing methodology described in the preface to USPS-FY12-NP18. As such, it incorporates the FY12 methodological updates/changes.

USPS-FY12-NP7 product categories are consistent with those listed in USPS-FY12-NP2. It should be noted that for FY12, the ICRA class number '190' was assigned to Inbound Express Canada while '189' continues to be the ICRA class number for Inbound Express ROW, which includes the Express mail for the Industrialized Countries and the Developing Countries.

As in FY11 data, USPS-FY12-NP7 includes country grouping details for inbound international mail resulting from the relevant IOCS changes described in USPS-FY12-NP21. IOCS assigns inbound international products to country groupings so that normal downstream CRA and ICRA processes can automatically distribute costs to country groupings that are consistent with other mail products. The three country groupings comprise Canada, the Industrialized Countries, and the Developing Countries.

USPS-FY12-NP8 FY 2012 International Billing Determinants

The methodology used to assemble these billing determinants is consistent with that used in ACR2011 USPS-FY11-NP8.

USPS-FY12-NP9 FY 2012 Miscellaneous International Data

This item uses the PRC cost methodology from Docket No. R2006-1, with any modifications defined in USPS-FY12-NP13 and USPS-FY12-NP2.

USPS-FY12-NP10 FY 2012 Competitive Product Incremental and Group Specific Costs (Non-public Version)

USPS-FY12-NP10 applies the same methodology as applied in the FY 2011 ACR. The methodology was developed in Proposal 22, Docket No. RM2010-4 and approved by the Commission in Order No. 399.

USPS-FY12-NP11 2011 Non-Public Cost and Revenue Analysis (NPCRA) Report

The NPCRA conforms to the Postal Regulatory Commission (PRC) methods for calculating attributable costs, which are revised annually.

USPS-FY12-NP12 FY 2012 Non-Public Cost Segments and Components Report

The FY 2012 Non-Public Cost Segments and Components Report conforms to the methodology most recently applied in the Commission's FY 2011 Annual Compliance Determination, except for the methodology changes to the CRA 'B' workpapers discussed in USPS-FY-NP14.

USPS-FY12-NP13 FY 2012 CRA Model (Model Files, Cost Matrices, and Reports)

The CRA model documented in USPS-FY12-NP13 uses the same cost methodology and structure as that filed in Docket No. ACR2011, with the following modifications:

1. The name of component 186 was changed to 'Incentive Fees'.
2. Other Competitive Ancillary Services was added to the CRA.DIM.xls as mail class 176, and was marked as 'Print in D Report Only'.
3. First-Class Package Service was added to the CRA.DIM.xls as mail class 180.

4. In the CRA.DIM.xls, First-Class Presort, class 20, and Total First-Class Parcels, class 15, were removed. The label for class 19 was changed to Parcels, with a parent class of 100.

USPS-FY12-NP14 FY 2012 CRA “B” Workpapers

For purposes of this annual report, and consistent with the Postal Accountability and Enhancement Act, the “B” Workpapers for FY 2012 conform to the Postal Regulatory Commission (PRC) methods, which are different from the Postal Services methods. The USPS-FY12-NP14, “B” Workpapers, include the following methodological changes from FY 2011.

Cost Segment 3

Updated encirclement rules in the In-Office Cost System (IOCS) for Inbound International Registered Mail and for certain other Extra Services to reflect changes in operations and to correct inconsistencies. For Collect on Delivery (COD), Certified, Insured, and Signature Confirmation Extra Services, encirclement were added for certain mail processing and window operations (Docket No. RM2012-5, Proposal Three, Order 1462, September 10, 2012).

IOCS made the following changes to its reporting codes: (1) streamlined In-Office Cost System (IOCS) activity codes by eliminating codes that were no longer used for costing; (2) combined the operation codes for Outgoing Primary Distribution and Outgoing Secondary Distribution into one code; (3) added a code for Managed Mail Distribution; and (4) added or changed codes to account for the recent transfers of Parcel Select Lightweight and First-Class Package Service to the competitive product list (Docket No. RM2012-5, Proposal Four, Order No 1462, September 10, 2012).

Cost Segment 6

Updated encirclement rules in the In-Office Cost System (IOCS) for Inbound International Registered Mail and for certain other Extra Services to reflect changes in operations and to correct inconsistencies. For Collect on Delivery (COD), Certified, Insured, and Signature Confirmation Extra Services, encirclement were added for certain mail processing and window operations (Docket No. RM2012-5, Proposal Three, Order 1462, September 10, 2012).

IOCS made the following changes to its reporting codes: (1) streamlined In-Office Cost System (IOCS) activity codes by eliminating codes that were no longer used for costing; (2) combined the operation codes for Outgoing Primary Distribution and Outgoing Secondary Distribution into one code; (3) added a code for Managed Mail Distribution; and (4) added or changed codes to account for the recent transfers of Parcel Select Lightweight and First-Class Package Service to

the competitive product list (Docket No. RM2012-5, Proposal Four, Order No 1462, September 10, 2012).

Cost Segment 7

Extended an existing costing methodology to: (1) the costs of USPS Tracking Barcode delivery scans performed by city carriers during street activities (cost segment 7); and (2) the costs of all non-accountable delivery scans performed by city carriers during street activities, including any other non-accountable delivery scans that the Postal Service may introduce in the future (Docket No. RM2012-5, Proposal Two, Order 1462, September 10, 2012).

Cost Segment 8

Assigned attributable Vehicle Service Driver costs to products using distribution factors derived from a new subsystem of the Transportation Cost System (TRACS) called TRACS-VSD (Docket No. RM2012-5, Proposal Five, Order No 1462, September 10, 2012).

Replaced the current, study-based parcel densities in the Transportation Cost System (TRACS) Highway Subsystem with actual parcel dimensional data now regularly captured on TRACS-Highway tests. These densities are used to develop distribution keys for assigning volume-variable costs to postal products in Cost Segment 8 and Cost Segment 14 (Docket No. RM2012-7, Proposal Seven, Order No 1462, October 24, 2012).

Cost Segment 10

The rural evaluation factor for random letters has been corrected to 0.6978 from 0.6999 seconds per piece. Consistent with the treatment of these scans in the Rural Mail Count, tracking barcode scans have been added to the distribution key for non-signature scan items.

Cost Segment 14

Replaced the current, study-based parcel densities in the Transportation Cost System (TRACS) Highway Subsystem with actual parcel dimensional data now regularly captured on TRACS-Highway tests. These densities are used to develop distribution keys for assigning volume-variable costs to postal products in Cost Segment 8 and Cost Segment 14 (Docket No. RM2012-7, Proposal Seven, Order No 1462, October 24, 2012).

USPS-FY12-NP15 FY 2012 Special Cost Studies Workpapers – Parcel Select/ Parcel Return Service Cost Model

The Parcel Select / Parcel Return Service mail processing cost model relies on the methodology presented by the Postal Service in Docket No. RM2012-8, Proposal Eight, which was subsequently approved by the Commission in Order No. 1567 (issued on December 6, 2012).

USPS-FY12-NP16 FY 2012 Special Cost Studies Workpapers – Parcel Select / Parcel Return Service Transportation Cost Estimates

The Parcel Select / Parcel Return Service transportation cost model relies on the same methodology presented in Docket No. ACR2011, USPS-FY11-NP16.

USPS-FY12-NP17 FY 2012 Special Cost Studies Workpapers – Parcel Select / Parcel Return Service (PRS) Cube-Weight Relationship Estimation

The USPS-FY12-NP17 econometric analysis relies on the same methodology presented in Docket No. ACR2011, USPS-FY11-NP17.

USPS-FY12-NP18 Cost Segment 3 Cost Pools & Other Related Information (Non-public Version)

USPS-FY12-NP18 uses the same methodology as described in USPS-FY11-NP18 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-NP18, 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:

1. 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.

2. 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-np21, In-Office Cost System (IOCS) Documentation (Nonpublic 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.

USPS-FY12-NP19 FY 2012 Non-Operation Specific Piggyback Factors (Non-public Version)

USPS-FY12-NP19 uses the PRC cost methodology from Docket No. R2006-1, as described in the testimony of witness Marc Smith, USPS-T-13 and also Docket No. ACR2011, USPS-FY11-NP19.

USPS-FY12-NP20 FY 2012 Mail Processing Costs by Shape (Non-public Version)

USPS-FY12-NP20 uses the same methodology as USPS-FY11-NP20 from Docket No. ACR2011. This is based on the PRC cost methodology from Docket No. R2006-1, as contained in PRC-LR-9. The calculations in USPS-FY12-NP20 have been modified to accommodate the new product, First-Class Package Service.

USPS-FY12-NP21 In-Office Cost System (IOCS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)

For FY12, IOCS methodology is the same as described in Docket ACR2011: USPS-FY11-NP21, except for the changes listed below that were approved by PRC Order No. 1462, September 10, 2012, Docket No. RM2012-5.

Proposal 3 of Docket No. RM2012-5 updated the encirclement rules for Inbound International Registered, COD, Certified, Insured and Signature Confirmation. These rules determine when to assign cost to the Extra Service rather than to the host mailpiece and are implemented in program ALB080.

Proposal 4 primarily streamlined IOCS reporting. IOCS activity codes that are not used for costing (that used to distinguish various levels of presort and automation) are no longer reported. Also, Outgoing Primary and Outgoing Secondary are combined into one uniform operation code, while a new Managed Mail operation code has been introduced.

In addition, as part of regular maintenance associated with the introduction of new products First-Class Package Service and Parcel Select Lightweight, activity codes have been introduced or redefined. All changes in activity codes and uniform operation codes are listed in Appendix A.

USPS-FY12-NP22 City Carrier Cost System (CCCS) Statistical and Computer Documentation

Documentation for the CCCS provided in USPS-LR-L-11, Docket No. R2006-1, included complete programs and descriptions for sample frame development and sample selection. Those programs and descriptions have incurred no substantive changes and are not reproduced herein. The estimation programs and output formats have incurred no substantive changes and are described in the CCCS System Documentation section below.

Estimates of USPS Tracking Number barcodes are now provided (see Proposal Two, Docket No. RM2012-5, approved by the PRC in Order No. 1462 on September 10, 2012).

USPS-FY12-NP23 Rural Carrier Cost System (RCCS) Statistical and Computer Documentation

Documentation for the RCCS provided in USPS-LR-L-12, Docket No. R2006-1 included complete programs and descriptions for sample frame development and sample selection. Those programs and descriptions have incurred no substantive changes and are not reproduced herein. The estimation programs and output formats have incurred no substantive changes and are described in the RCCS System Documentation.

USPS-FY12-NP24 Transportation Cost Systems (TRACS) Statistical and Computer Documentation (Source Code and Data on CD-ROM)

For FY12, the TRACS Surface (Highway) subsystem methodology is the same as explained in Docket No. ACR2011: USPS-FY11-NP24, except for two major improvements outlined below.

- **Change to Methodology of Distributing Costs Incurred by Vehicle Service Drivers.**

In FY12, the TRACS Surface (Highway) subsystem utilizes a new statistical subsystem mode and associated distribution key for distributing attributable costs of Vehicle Service Drivers (VSD, Cost Segment 8) to the classes and subclasses of mail. Vehicle service drivers provide transportation for the efficient movement of large mail volumes among post offices, stations, branches, and other postal facilities, including air mail facilities as well as various private firms. In FY11, \$585 million of VSD attributable costs (including piggybacked costs) were distributed to postal products, using Intra-SCF cubic-foot miles as a proxy distribution key. The new distribution key for VSD costs is developed under a TRACS Surface subsystem mode named TRACS-VSD. Upon evaluating the sample design, sample selection, data collection and estimates including CV's, the Commission concluded 'that the new methodology reflects the appropriate relative use of VSD transportation by different classes and subclasses of mail', and that this new methodology provides 'a significant improvement over the use of a proxy distribution key'. This proposal and its acceptance by the Commission are documented in Docket No. RM2012-5, Proposal Five (June 26, 2012), and Order No. 1462 (September 10, 2012). The TRACS-VSD methodology was implemented retroactively, effective Q1, FY12.

- **TRACS Change to Parcel Density Process.**

Under the TRACS Surface (Highway) subsystem, the Postal Service distributes transportation costs to mail categories based on estimates of cubic-foot-mile proportions. To obtain cubic-foot estimates from sampled

letters, flats, and parcels, the Postal Service uses periodically updated density study information to derive the cubic-foot component of the cubic-foot-mile distribution key for each TRACS Surface subsystem mode. The Postal Service proposed replacing the indirect density study-based process for parcels with a direct measurement process utilizing actual dimensional length, width and height information captured and recorded for parcel shaped mail during live-mail sampling. A direct cubic-foot measurement approach utilizing actual dimensional information obtained from sampled parcels is a natural and preferred measurement methodology. Though the net effect of this improvement on the combined Cost Segment 8 and 14 distributed costs is miniscule (less than \$0.01 per piece for all but 2 mail categories based on an FY11 to FY12 Q3-YTD comparative analysis), the new cubic-feet measures reflect a significant improvement in reliability over time since the dimensional information now being captured is continuously updated across sampling periods, and as a result, it more accurately reflects actual activity found on trucks and vans. In approving this proposal, the Commission stated that this change 'improves the accuracy of TRACS distribution keys for allocating highway transportation costs to products'.

This proposal, TRACS Change to Parcel Density Process, is documented in Docket No. RM2012-7, Proposal Seven (September 4, 2012). The Commission acceptance of this proposal is documented in Order No. 1516 (October 24, 2012). The TRACS Parcel Density Process change was implemented retroactively, effective Q1, FY12.

USPS-FY12-NP25 Mail Characteristics Study (Non-public Version)

This item uses the estimation methodologies used in USPS-FY12-14 with updated input data.

USPS-FY12-NP26 FY 2012 Special Cost Studies Workpapers – Special Services (Non-public Version)

USPS-FY12-NP26 relies on the Postal Regulatory Commission (PRC) cost methodology as found in USPS-FY11-NP26 and in Order 1153, Docket No. RM2012-1.

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 proposed to update the Signature Confirmation cost model by adding the appropriate waiting time adjustment and miscellaneous factors. Proposal 14 was subsequently approved in Order No. 1153, after the FY11 ACR was filed. The latest approved version of the Signature Confirmation cost model is used for FY12.

In the case of Competitive and Market Dominant Post Office Box services, it relies on the methodology from Docket No. MC2010-20 (specifically see Response of the United States Postal Service to Chairman's Information Request No. 1 (April 1, 2010)), and Docket No. RM2011-9, Proposal 1 on PO Box costing, approved in Order No. 744.

For Greeting Cards and Shipping and Mailing Supplies, the Postal Service relies on the methodologies applied by the PRC in its FY 2010 Annual Compliance Determination.

USPS-FY12-NP27 FY 2012 Competitive NSA Materials & Nonpostal Materials

The methodology used to produce the data is the same as described in ACR 2011, with the following changes.

Delivery cost models were modified in accordance with Docket No. RM2012-5, Proposal 2, approved in Order No. 1462.

Cost models for Parcel Select (traditional) were updated to incorporate the introduction of Parcel Select Lightweight within the Parcel Select product. Delivery costs for traditional Parcel Select are now calculated in ParcelSelectDeliveryModelFY2012.xls

USPS-FY12-NP28 Rule 3045.14 Alternative Format Report for Competitive Products

To the extent that cost, volume, weight and revenue figures are available for inclusion in the alternative format, the methodologies used in developing these figures are generally the same methodologies used in developing the cost, volume, and revenue figures presented in the FY 2012 CRA and other portions of the FY 2012 ACR where similar figures (and in many instances, identical figures) are presented for mail categories reflecting the existing mail classification structure.

This year, the methodology had to change to permit the reversion of First-Class Package Service and Lightweight Parcel Select back to their pre-PAEA Market Dominant classifications. In addition, it was necessary to reassemble the First-Class Mail categories into their pre-PAEA forms. Current ACR methodology does not allow for the separation of the cost for First-Class Parcels into Single-Piece and Presort; therefore RPW volume is used to make this separation.

USPS-FY12-NP29 Fiscal Year 2010 Cost Segments and Components Reconciliation to Financial Statements and Account Reallocations (Non-Public Version)

Lump sums totaling \$138 million for early-out incentive payments made to personnel from all areas of the Postal Service were moved from Cost Segment 1: Postmasters (\$88 million), Cost Segment 2: Supervisors & Technical Personnel (\$4 million), and Cost Segment 3: Clerks & Mailhandlers (\$46 million) to Cost Segment 18 (HQ & Area Administration & Corporatewide Personnel Costs), component 1430 (Miscellaneous Personnel Compensation). Otherwise, no substantive changes were made to cost segments or components or to the structure of the workbook in FY 2012.

USPS-FY12-NP30 FY 2012 Revenue, Pieces, and Weight Report (Non-Public Version)

USPS-FY11-NP30 generally uses the same methodologies to produce previous RPW reports, but also reflects the following specific changes in methodology and format for FY 2012:

1. We removed all references to Mailing and Shipping Services. Previously, these were referenced as 'Mailing Services (Market Dominant Products)' and Shipping Services (Competitive Products)'. Now, they are referenced by the Mail Classification Schedule (MCS) names of Market Dominant and Competitive.
2. A new First-Class Package Service product section is added in Shipping Services. This relates to the transfer of lightweight commercial parcels from Market Dominant to Competitive (Docket No. MC2011-12 and Order No. 710).
3. A new line in the Shipping Services Special Services section of the RPW Report is provided for competitive Post Office Box Service revenue.
4. Nonpostal Services: The Commission's Annual Compliance Determination Report (ACD), Fiscal Year 2010, directed the Postal Service to report Nonpostal Services with Other Revenue (ACD, Chapter IX, at 152). The FY12 RPW Reports now include the reporting of Market Dominant Nonpostal Services with Other Mailing Services and Competitive Nonpostal Services with Other Shipping Services Revenue.

5. First-Class Single Piece Letters and Cards Automated Redirect Forwarded/Returned Mail: First-Class Single Piece Letters and Cards now include the revenue that had been inappropriately excluded for letters and cards that had been automatically redirected to their forwarded destination. Volume and weight were increased as well. FY 2011 revenues and volumes were updated in the SPLY column so that direct comparisons can be made to last year.

6. Inbound International: The reporting of inbound revenues, volumes, and weight related to settlements with foreign postal administrations now uses the Foreign Postal Settlement System (FPS). FPS is an accounting accrual system for international settlement that took effect in January 2010. The Postal Service proposed this as a change in analytical principles in Docket No. RM2011-12, and the Commission approved it in Order No. 920.

7. Parcel Select Lightweight: Following from the Commission's conditional approval of the transfer of commercial Standard Mail parcels to competitive with Order No. 689, on January 22, 2012, reporting for Parcel Select Lightweight began under the Parcel Select mail class.

8. Competitive Post Office Box Rents: On January 22, 2012, 6,800 Post Office Box locations joined the existing 49 locations on the competitive product list (Docket No. CP2012-2, Order No. 997). These Post Office Box locations were approved in Docket No. MC2012-20, Order 473. Revenue relating to this change now appears in the Post Office Box Service line of the competitive Special Services section of the report, and a footnote has been added explaining this change.

9. Other Changes: Starting in Quarter 2, PostalOne reports activity for the following categories: Certified, Return Receipt, Restricted Delivery, Return Receipt for Merchandise, Signature Confirmation, and Return Receipt – Electronic. These were previously reported through sampling data.

**SECTION THREE: Material in Response to
COMMISSION RULE 3050.12**

In Order No. 203, issued April 16, 2009, the Commission introduced new rules regarding special studies. Section 3050.12, Obsolescence, requires the Postal Service to: “provide a list of special studies whose results are used to produce the estimates in its annual periodic reports to the Commission. It shall indicate the date the study was completed and whether the study reflects current operating conditions and procedures. The Postal Service shall update the list annually.”

As there has not yet been a determination establishing the definition of and listing of the “special studies” to which this rule applies, the Postal Service submits that it is characterizing “special studies” as those analyses that cannot be updated routinely by reference to information contained in ongoing data systems. Analyses that rely solely on information collected and maintained on an ongoing basis in such systems as IOCS, TRACS, CCCS, RCCS, MODS, WebEOR, PostalOne!, and other postal databases can be routinely updated and will never be considered “obsolete”. Therefore, such analyses are not being considered “special studies” for purposes of complying with §3050.12. Any studies relying on material developed from the ongoing data systems will necessarily contain documentation that provides the time period for which the data were collected.

For some studies, the data collection was a point in time and all data contained in the study is of the same vintage. For those studies, the “date the study was completed” is relatively easy to ascertain. For other special studies that rely on a variety of inputs from a variety of sources, the “date the study was completed” is not as obvious. Therefore, for each special study of that nature, a short litigation history is provided, describing the dockets in which significant changes to the model were introduced.

With regard to the requirement that the Postal Service indicate “whether the study reflects current operating conditions and procedures”, the Postal Service interprets that requirement to mean that the processes represented were those in place during the fiscal year for which the study results are presented.

As with regard to the “date the study was completed”, there are two types of special studies. The first type of study is one in which the data collection took place at one point in time. For purposes of this document, these studies are referred to as “Periodic Studies.” The question that must be answered for Periodic Studies is whether the information collected when the studies were conducted adequately reflects the processes in place during the fiscal year for

which the Annual Compliance Report (ACR) was prepared. The second type of study is one comprised of a model of postal processes that relies on input data from various sources, some from ongoing data systems and some from periodic data collection efforts, which are used to estimate costs. For purposes of this document, these studies are referred to as “Cost Model Studies.” The questions that must be answered for Cost Model Studies are (1) whether the modeled processes accurately represent actual processes in place during the fiscal year for which the Annual Compliance Report was prepared and (2) whether the inputs used to populate the models are of recent enough vintage to reasonably be used to develop cost estimates for that fiscal year.

Finally, with regard to longer-term data collection requirements, the Commission issued Order No. 589 on November 18, 2010, establishing Docket No. RM2011-3 named ‘Priorities for Future Data Collection and Analytical Work Relating to Periodic Reporting.’ The Commission held two technical conferences under this docket during FY12. The first, held on January 12, primarily focused on identifying available data sources necessary to update the 2002 City Carrier Street Time Study (CCSTS). An outcome of the conference was for the Postal Service to investigate the necessary steps to update the CCSTS. The Postal Service, at the direction of the Commission, summarized its findings in its Scoping Study filed on May 25, 2012. The second, held on August 15, predominantly entailed the Postal Service formally presenting the information contained in its Scoping Study. At its conclusion, however, the Commission directed the Postal Service to update its Priorities for Future Cost Studies (originally filed February 18, 2011). The Postal Service filed an update on October 23, 2012.

Studies Subject to § 3050.12

In accordance with Commission reporting rule 3050.12, the Postal Service is providing the following list of Periodic Studies and Cost Model Studies whose results are used to produce estimates in its annual compliance reports.

Periodic Studies

Postmaster Variability Study

The Postmaster Variability Study was completed in 1984. The study used an operational dataset of Work Service Credits for postmasters at level EAS-23 offices and below to estimate the variability of their costs with respect to volume. At EAS-24 offices and above, the postmaster variability of cost with respect to volume is assumed to be zero. Both the estimated variability for the lower level offices and the supposition of no causal relationship between postmaster costs and changes in volume at higher level offices are used in the 2012 ACR.

Since the duties of Postmasters have remained fairly stable, the composite variability of postmaster costs with respect to volume reflects the operating environment in FY12. However, the study could be replaced or updated as resources permit, to account for any changes in postmaster activities.

Special Purpose Route Studies

The Special Purpose Route (SPR) carrier survey, the Expedited Mail Delivery survey, and the Motorized Letter Route survey were conducted in 1997 and their findings accepted in Docket No. R97-1. SPR carriers primarily deliver parcels and perform collection runs in large metropolitan areas. The studies were done by having SPR carriers, letter route carriers, and clerks, who made out-of-office Express Mail deliveries, maintain detailed accounts of their daily activities, including driving time, delivery time, collection time, and delivered volumes. The information collected regarding clerks was used to estimate the volume variability for out-of-office Express Mail deliveries. The data collected from SPR and letter route carriers were used to estimate, 1) cost pool proportions for SPR street activities, 2) volume variabilities for SPR actions such as driving and loading the vehicle and for letter route carriers sweeping blue collection boxes, and 3) distribution factors by product for delivered and collected mail on SPR. In the 2012 ACR, the cost pools and variabilities from the studies are used in conjunction with current In-Office Cost System (IOCS) costs and originating volumes to 1) determine the attributable Express Mail out-of-office costs for clerks, 2) establish cost pools and attributable costs for SPR carrier activities, 3) calculate relevant collection costs for letter route carriers while sweeping blue collection boxes, and 4) assign SPR carrier attributable collection costs to products.

The distribution factors for the products delivered on SPR have been updated since the original study using the City Carrier Cost System subsystem, CCCS-SPR (Docket No. RM2009-10, Order 339, Proposal Eight, issued November 13, 2009). However, the cost pool proportions, variabilities, and distribution factors for collection mail handled by SPR carriers remain the same as those filed with Docket No. R97-1.

Since the occupations surveyed perform primarily the same activities as they did when the studies were done, their findings generally reflect the operating environment in FY12. As resources permit, the portions of the 1997 study being used in the 2012 ACR could be updated to reflect potential changes that might have occurred to the mail mix, collection box activities, and network structure since the original study was conducted. Any such changes might affect the cost pool proportions, variabilities, and SPR collection mail distribution factors.

Vehicle Service Driver Study

The Vehicle Service Driver (VSD) Study was completed in 1993 and its findings accepted in Docket No. R97-1. Vehicle Service Drivers provide transportation between post offices, stations and branches, other postal facilities including air mail facilities and some private firms. The study estimated a composite variability of vehicle service driver labor costs with respect to changes in volume. Data sources for the study consisted of a survey of plants and facilities that employ VSD and the Postal Service Form 4533 that details route and scheduling information.

Since driving activities for vehicle service drivers have generally remained the same, the results of the study reflect the FY12 operational environment. However, network changes may necessitate updating the current variability estimate.

Three methods have been used to assign relevant VSD costs to products since PAEA. In FY07, the costs were distributed based on each product's share of total cubic feet which was obtained from RPW. In Docket No. RM2008-2, Order 115, issued October 10, 2008, the Commission accepted the Postal Service's proposal to use the Intra-SCF distribution key from Transportation Cost System (TRACS) to assign the relevant VSD costs to products. However, the Commission stressed that the Postal Service should thoroughly investigate and propose a direct method of assignment. The Intra-SCF proxy was used from FY08 through FY11.

The Postal Service presented a direct method to assign VSD costs as part of Docket No. RM2012-5, Proposal Five, issued June 26, 2012. The proposal entailed deriving cubic-foot leg proportions from a newly developed subsystem of TRACS named TRACS-VSD. Order 1462, issued September 10, 2012, accepted the proposal. As a result, FY12 VSD attributable costs are assigned to products based on cubic-foot leg proportions estimated by the TRACS-VSD subsystem.

Alaska Preferential Study

The Alaska Preferential study was completed in 1994 and its findings accepted in Docket No. R97-1. The study sampled mail flow on the network, and used the data to estimate distribution factors by product. In the 2012 ACR, those distribution factors are used to assign accrued Alaska preferential air costs to products in cost segment 14.

Since no alternative network was used within Alaska to transport preferential mail, the results of the study generally reflect the FY12 operating environment. However, as resources permit, the distribution factors could be updated to account for changes in the mail mix that may have occurred since the study was conducted.

Alaska Non-Preferential Study

The Alaska Non-Preferential study was completed in 1994 and its findings accepted in Docket No. R97-1. The study sampled mail flow on the network, and used the data to estimate distribution factors by product. In the 2012 ACR, those distribution factors are used to assign accrued Alaska non-preferential air costs to products in cost segment 14.

Since no alternative network was used within Alaska to transport non-preferential mail, the results of the study generally reflect the FY12 operating environment. However, as resources permit, the distribution factors could be updated to account for changes in the mail mix that may have occurred since the study was conducted.

Hawaii Study

The Hawaii study was completed in 1994 and its findings accepted in Docket No. R97-1. The study sampled mail flow on the network, and used the data to estimate distribution factors by product. In the 2012 ACR, those distribution factors are used to assign accrued Hawaii network air costs to products in cost segment 14.

Since no alternative network was used within Hawaii to transport mail by air, the results of the study generally reflect the FY12 operating environment. However, as resources permit, the distribution factors could be updated to account for changes in the mail mix that may have occurred since the study was conducted.

Highway Variability Study

The Highway Variability study was conducted in 1999 and its findings accepted in Docket No. R2000-1. The study estimated an econometric model that calculated highway variabilities, which measure the change in cost with respect to capacity. In the 2012 ACR, the estimated variabilities for different highway contract types are used along with the appropriate general ledger accounts to determine the attributable highway contract costs.

Since the highway contract network has remained stable since the study was conducted, the variabilities generally reflect the FY12 operating environment. However, as resources permit, the variabilities should be updated because: 1) the highway network potentially could undergo significant changes with the implementation of Network Distribution Centers (NDC) and Network Redesign; 2) declining mail volumes that have occurred since the study was conducted may have impacted the relationship between cost and capacity at the margin; and 3) the proportional assumption between capacity and volume needs to be investigated.

Surface Density Study

The Surface Density study was previously updated in 2009 as part of Docket No. RM2010-1, Proposal Twenty, issued October 6, 2009. In Docket No. RM2012-7, Proposal Seven, September 4, 2012, the Postal Service introduced a new method to compute parcel densities, using parcel dimension data which is now regularly collected as part of TRACS Highway tests. The Commission approved this proposal in Order 1516, issued October 24, 2012. The surface densities are used in the calculations of the distribution factors for both vehicle service drivers (cost segment 8) and contract highway transportation (cost segment 14). These distribution factors are used to assign attributable costs to products in the 2012 ACR.

Since the surface densities were updated during FY12, they reflect the current operating environment.

City Carrier Street Time Study

The City Carrier Street Time Study (CCSTS) was conducted in 2002 and its findings accepted in Docket No. R2005-1. The study conducted a census of city letter routes within sampled ZIP Codes and had the carriers maintain detailed accounts of their activities with the use of a hand-held scanner, and also recorded volumes by shape and type of mail (e.g. delivered letters, delivered flats, collection). The study estimated, 1) cost pool proportions for various street activities on city letter routes (e.g. network travel, regular delivery, parcel and accountable delivery) and 2) variabilities of relevant costs with respect to volume by mail type. In the 2012 ACR, the cost pool proportions and variabilities are applied to the accrued costs which determine the attributable city street letter route costs by cost pool. These costs are assigned to products within each cost

pool using appropriate distribution factors from the City Carrier Cost System (CCCS).

Since the street activities of a city letter route carrier have remained stable since the study was conducted, the results of the study generally reflect the FY12 operating environment. However, operational changes such as the growth in DPS mail and the implementation of FSS operations likely necessitate an update to the CCSTS. In its Scoping Study (Docket No. RM2011-3, issued May 25, 2012), the Postal Service established the framework to update the CCSTS. Under this docket, issued October 23, 2012, the Postal Service indicated that it planned to begin a data collection effort to update the CCSTS during 2013.

Facility Space Survey

The Facility Space Survey was done in 1999, and its findings accepted in Docket No. R2005-1. See USPS-T-13, Part III and USPS LR-K-62. The survey assigns the amount of facility space and rental costs to major operation and function. The 1999 survey included about 750 facilities with 50 million square feet of interior space, selected using a stratified random sample. Data were collected on the amount of facility space used for each operation and function for the facilities selected. While the survey included only about two percent of the Postal Service's facilities, the survey's focus on large facilities resulted in over one-sixth of the Postal Service's 300 million square feet being surveyed. The study estimates of facility space by category are adjusted annually, based on information on equipment deployments, operational changes and overall Postal Service facility space growth. These adjusted data provide the shares of facility space and rental costs by operation. These are used to apportion facility costs (rents, depreciation, custodial activities, utilities, and building maintenance) to operation as a step in determining the variability and distribution of these costs. These shares are called the Facility Space and Rents Factors used in the F Report (USPS-FY12-31). Overall facility space has grown about approximately 3 percent since the survey was conducted.

Since the utilization of facility space has remained stable, the Facility Factors generally reflect the FY12 operating environment. However, the survey should be updated as resources permit due to changes now underway in facility space use due to mail volume declines and network changes.

Highway Plant Load Study

The Highway Plant Load study was conducted in 2003 and its findings accepted in Docket No. R2005-1. The study sampled mail that utilized highway plant load transportation and used the data to estimate distribution factors by product. In the 2012 ACR, those distribution factors are used to assign the relevant highway plant load costs to products in cost segment 14.

Since highway plant load transportation was used by a small number of long-time mailers in FY12, the existing distribution factors generally reflect the FY12 operating environment.

Rail Plant Load Study

The Rail Plant Load study was conducted in 2003 and its findings accepted in Docket No. R2005-1. The study sampled mail that utilized rail plant load transportation and used the data to estimate distribution factors by product. In the 2012 ACR, those distribution factors are used to assign the relevant rail plant load costs to products in cost segment 14.

Since rail plant load transportation was used by a small number of long-time mailers in FY12, the existing distribution factors generally reflect the FY12 operating environment.

Alaska Air Adjustment Factor

The Alaska Air Adjustment Factor was last updated in FY04 and its findings accepted in Docket No. R2005-1. The factor was computed by finding the ratio of the hypothetical costs of transporting mail in Alaska by highway to the accrued cost incurred for non-preferential Alaska air service. In the 2012 ACR, the factor is applied to accrued non-preferential Alaska air costs in the Cost Segments and Components Report (USPS-FY12-2).

Since there remains a strong correlation between highway and jet fuel costs, the ratio used generally reflects the FY12 operating environment. However, as resources permit, the factor could be updated to ensure that the level of attribution for these incurred costs is computed accurately according to the established methodology.

Window Service Transaction Study

The Window Service Transaction Time Study was completed in 2005 and its findings accepted in Docket No. R2006-1. The study measured transaction times by type using a national sample of post offices. The data was used to estimate variabilities of window service costs with respect to different transaction types (e.g. weigh and rate and selling stamps). In the 2012 ACR, the study's variabilities are used to calculate window service attributable costs by product.

Since window activities have remained largely unchanged since the study, its results generally reflect the FY12 operating environment. This study should be updated as resources permit to account for operational changes that have occurred at the retail window and to take into consideration new retail products.

Cost Model Studies

Letter Cost Models (First-Class Mail and Standard Mail)

The First-Class Mail presort letters and cards and Standard Mail presort letters mail processing cost models rely on the overall Docket No. R2006-1 Postal Regulatory Commission methodology. These models rely on a “hybrid” cost methodology that uses both CRA mail processing unit costs and model-based mail processing unit costs to estimate the mail processing unit costs by price category. For First-Class Mail presort letters and cards, worksharing related savings estimates are also calculated using cost benchmarks.

In Docket No. RM2009-3, Order No. 536 (September 14, 2010), the Commission effectively rejected the continued use of the bulk metered mail (BMM) letters cost benchmark. However, no new benchmark was established in that docket. Instead, Order No. 537 (September 14, 2010) established Docket No. RM2010-13 as a proceeding in which interested parties could address cost benchmark issues. Comments and proposals from participating parties were due by February 18, 2012. Reply comments were due by April 4, 2012.

After reviewing the comments and proposals that were submitted by participating parties, the Commission issued Order No. 1320 (April 20, 2012). This order establishes the broader metered mail category (an aggregate of metered, IBI, and PVI letters) as the First-Class letters benchmark. From a cost standpoint, the mail processing unit cost estimate for this category of mail has been used as the BMM letters proxy for several years. This portion of the ruling therefore has no impact on the cost avoidance estimates.

Order No. 1320 also determines that the delivery unit cost estimate that most closely approximates the benchmark delivery costs is the non-automation machinable mixed AADC (NAMMA) delivery unit cost estimate. This estimate has also been used as the BMM letters proxy for several years. This portion of the ruling therefore also has no impact on the cost avoidance estimates.

The Commission did, however, implement a methodology change in Order No. 1320 that increases the cost avoidance estimates. Specifically, the Commission ruled that 60 percent of the collection costs should be incorporated into the cost avoidance estimates.

Other modifications have been made to the letter models since the Commission issued its Opinion and Recommended Decision in Docket No. R2006-1. In Docket No. ACR2008, the Postal Service presented an updated version of the automated and manual density tables, which the Commission subsequently approved.

In Docket No. RM2011-5, Proposal Nine, the Postal Service recommended that the following input data should be incorporated into the letter cost models: (1) a revised automation density table, (2) a revised manual density table, (3) a post office box destination percentage developed using carrier piece count (CPC) data, (4) a modified plant carrier route finalization percentage, (5) new manual incoming secondary and post office box walling productivity data that were collected during a 2010 field study, and (6) a revised remote bar code system (RBCS) leakage target. The Postal Service also recommended the incorporation of a new bundle sorting methodology.

In Order No. 741 (June 3, 2011), the Commission approved all the proposed changes except the new productivity values and the use of the RBCS leakage target. The Commission rejected the new productivity values due to concerns about the level of variation exhibited by the data. Given that the incoming secondary manual sorting operation and the walling operation had not changed significantly since the previous study was conducted, they determined that the model should continue to rely on the older productivity values. The Commission also felt that the use of actual leakage rate data was preferable to the use of leakage targets, despite the age of the data.

The Postal Service proposed the addition of new mail processing cost pools in Docket No. RM2011-12, Proposal Five and Proposal Six. The Commission subsequently approved those proposals in Order No. 920 (October 21, 2011).

In the 2010 Annual Compliance Determination (ACD), the Commission directed the Postal Service to disaggregate the mail processing unit cost estimates for the Standard Mail presort letters non-automation machinable MAADC and AADC price categories. The Postal Service filed a revised Standard Mail presort letters mail processing cost model in response to that directive in Docket No. RM2012-1, Proposal Twelve. The Commission approved Proposal Twelve in Order No. 1153 (January 20, 2012). For consistency reasons, the Postal Service also proposed that the same change should be made to the First-Class Mail presort letters and cards mail processing cost model in Docket No. RM2012-2, Proposal Nineteen. The Commission approved Proposal Nineteen in Order No. 1383 (June 26, 2012).

As the processing environment for letters has been stable in recent years, the letters and cards mail processing models (USPS-FY12-10) can be viewed as representing the operating conditions in place during FY12. In addition, the age of the cost model input data should ensure that the cost estimates are robust, based on past Commission comments in the rulings cited above.

Flat Cost Models (First-Class, Standard Mail, and Periodicals Outside-County)

The First-Class Mail presort flats, Standard Mail presort flats, and Periodicals Outside-County flats mail processing cost models rely on the overall Docket No. R2006-1 Postal Regulatory Commission methodology. Several modifications have been made to the flat models since the Commission issued its Opinion and Recommended Decision in Docket No. R2006-1.

In Docket No. ACR2007, the Postal Service made several improvements to the Periodicals cost model in order to resolve internal inconsistencies.

In Docket No. RM2009-1, Proposal Twelve, the Postal Service proposed thirteen modifications that involved the updating of old parameters and the development of new parameters for the flat cost models. In Order No. 170 (January 12, 2009), the Commission approved twelve of the thirteen postal proposals. The thirteenth proposal was approved with a refinement proposed by Time Warner.

In Docket No. RM2009-10, Proposal Twelve, the Postal Service filed a version of the Periodicals cost model in order to clarify the manner in which the 'auto/mech' incoming secondary coverage factor should be applied. The Commission approved Proposal Twelve in Order No. 339 (November 13, 2009).

In Docket No. RM2010-4, Proposal Twenty-Five, the Postal Service presented three modifications for the flats cost models. The Commission approved Proposal Twenty-Five in Order No. 399 (January 27, 2010).

The Postal Service proposed the addition of new mail processing cost pools in Docket No. RM2011-12, Proposal Five and Proposal Six. The Commission subsequently approved those proposals in Order No. 920 (October 21, 2011).

In Docket No. RM2012-2, Proposal Eighteen, the Postal Service presented four modifications for the flats cost models. The Commission approved Proposal Eighteen, with one refinement, in Order No. 1383 (June 26, 2012).

In Docket No. RM2012-8, Proposal Nine, the Postal Service presented eight modifications for the flats cost models. The Commission has not yet ruled on Proposal Nine.

Over time, the Postal Service has continuously tried to improve the flats mail processing cost models. The First-Class Mail presort flats, Standard Mail presort flats, and Periodicals Outside-County flats mail processing cost models (USPS-FY12-11) can therefore be viewed as representing the operating conditions in place during FY12. In addition, the age of the cost model input data should ensure that the cost estimates are robust.

Standard Mail Parcel / Not-Flat Machinable (NFM) Mail Processing Cost Model

Prior to Docket No. R2006-1, the Postal Service did not develop and maintain a Standard Mail parcel mail processing cost model because there was no need to do so. Standard Mail flats and parcels were both assessed “nonletter” prices, with parcels also being assessed a residual shape surcharge. In Docket No. R2006-1, the Postal Service proposed separate and distinct prices for Standard Mail flats and parcels, and proposed a new classification for “not flat-machinable” (NFM) mail pieces. NFMs were classified to be mail pieces that were typically assessed flats prices, but were often processed as parcels.

In the absence of any formal Standard Mail parcel mail processing cost model, a cost analysis to support these proposals was provided in Docket No. R2006-1 as USPS-LR-L-45. This analysis estimated the additional mail processing costs required to process parcels and NFM mail pieces in comparison to an average Standard Mail flat. This study was subsequently updated in Docket Nos. ACR2007, ACR2008, and ACR2009.

This study did not develop unique costs for NFMs because many of the usual data elements (conversion factors, downflow densities, etc.) required by mailflow models had not been available for NFMs in isolation from parcels. In its 2008 ACD, the Commission directed the Postal Service to develop “reliable cost data for these categories and make the necessary adjustments to discounts to reflect 100 percent or less of the avoided costs.” ACD2008, page 70.

In response to that directive, the Postal Service introduced a new model in Docket No. RM2010-12, Proposal Seven. Proposal Seven introduced a mailflow-based model of mail processing costs for Standard Parcels and NFMs. This new model relied on methodological approaches similar to those embedded in the mail processing models for letters, flats and other parcels, and estimated mail processing unit costs for the machinable, irregular and NFM price categories. The Commission approved the Proposal Seven cost model in Order No. 658 (January 28, 2011).

The Postal Service proposed the addition of new mail processing cost pools in Docket No. RM2011-12, Proposal Five and Proposal Six. The Commission subsequently approved those proposals in Order No. 920 (October 21, 2011).

In January 2012, the Commercial machinable and irregular price categories were renamed “Lightweight Parcel Select” and were moved to the Parcel Select competitive product. In addition, the NFM price categories were eliminated and new “marketing” parcel price categories were established in their place. These changes, however, did not necessitate that any methodological changes should be made to the cost model because some Commercial NFMs still existed after the January changes and the Non-Profit machinable, irregular, and NFM /

marketing price categories are identical to the price categories that existed prior to the January 2012 changes.

Based on this recent activity, the Standard Mail Parcel / NFM mail processing cost model (USPS-FY12-12) can be viewed as representing the operating conditions in place during FY12. Although the Postal Service views this Commission-approved model as an improvement over former versions of the model, it will continue to evolve as the network, price structure, and CRA reporting requirements change. In addition, the age of the cost model input data should ensure that the cost estimates are robust.

Standard Mail and Periodicals Destination Entry Cost Avoidance Models

These models provide the destination entry cost avoidance estimates for Standard Mail letters, flats, and parcels/NFMs and Periodicals. They rely on the Docket No. R2006-1 methodology and subsequent cost model modifications described in Docket No. ACR2007, USPS-FY07-13. While the overall estimating methodology is the same as that relied upon in the earlier models, the Standard Mail analysis was expanded in Docket No. ACR08 to estimate cost avoidances by shape (letters, flats, and parcels/NFMs). A shape-specific analysis was possible in that docket because the Standard Mail line items in the CRA report became available in more disaggregated form. In the 2008 ACD, however, the Commission continued to rely on the aggregate (all shapes combined) cost avoidance estimates and recommended that the Postal Service present the shape-specific analysis in a separate docket. A shape-specific analysis was subsequently presented in Docket No. RM2009-10, Proposal Thirteen. The Commission approved the Proposal Thirteen destination entry cost model in Order No. 339 (November 13, 2009). The current Periodicals destination entry cost methodology approach continues to rely on the Postal Regulatory Commission (PRC) cost methodology from Docket No. R2006-1.

The destination entry cost models (USPS-FY12-13) can be viewed as representing the operating conditions in place during FY12, given that destination entry offerings have not changed significantly in recent years. The age of some cost model input data is a concern. The Postal Service will investigate the extent to which some parcel input data, which have been collected during more recent field studies, can be incorporated into the destination entry cost models.

Media Mail – Library Mail – Mail Processing Cost Model

The Media Mail - Library Mail mail processing cost model presented in the earlier ACR dockets relied on the Docket No. R2006-1 methodology to develop total mail processing unit cost estimates by price category. After the 2009 ACR was filed, the Commission issued Chairman's Information Request No. 1 on January 22, 2010. Question 18 of that request noted that there were instances where the Media Mail – Library Mail model referenced the former Single-Piece Parcel Post

split between Intra-NDC and Inter-NDC. Because the Single-Piece Parcel Post distinction between Intra-NDC and Inter-NDC no longer existed, the models used the FY 2008 Intra-NDC/Inter-NDC volume split as a proxy. The Commission requested the rationale for continuing to use the FY 2008 disaggregation, and asked if this methodology would continue in the future models. On February 2, 2010, the Postal Service responded by indicating that the FY 2008 data were used as proxies because no other data were available, but that the methodology and the availability of alternative cost model input data would be evaluated.

In Docket No. RM2011-5, Proposal Twelve, the Postal Service presented alternative data inputs to the Media Mail / Library Mail mail processing cost model. Upon further review, the Postal Service determined that the best estimate of the Parcel Post single-piece Intra-NDC volume percentage was obtained by dividing the sum of the volumes for zones 1, 2, and 3, by the total volume. In FY08, the last year Intra-NDC Parcel Post volume data were available separately from Inter-NDC data, nearly 96 percent of the mail volume was found in zones 1, 2, and 3, indicating that the percentage of mail volume represented by those zones would be a good approximation for the Intra-NDC volume percentage. The Postal Service therefore proposed that this estimate be calculated annually from the Parcel Post volume, cubic feet, and weight data and incorporated into future versions of the Media Mail / Library Mail mail processing cost model. The Commission approved Proposal Twelve in Order No. 724 (May 4, 2011).

The Postal Service proposed the addition of new mail processing cost pools in Docket No. RM2011-12, Proposal Five and Proposal Six. The Commission subsequently approved those proposals in Order No. 920 (October 21, 2011).

In Docket No. RM2012-1, Proposal Thirteen, the Postal Service presented a new Media Mail – Library Mail mail processing cost model that relied on the Docket No. RM2010-12, Proposal Seven, methodology. The Commission approved Proposal Thirteen in Order No. 1153 (January 20, 2012).

Based on this recent activity, the Media Mail – Library Mail mail processing cost model (USPS-FY12-15) can be viewed as representing the operating conditions in place during FY12. Although the Postal Service views this Commission-approved model as an improvement over former versions of the model, it will continue to evolve as the network, price structure, and CRA reporting requirements change. In addition, the age of the cost model input data should ensure that the cost estimates are robust.

Bound Printed Matter (BPM) Mail Processing and Transportation Cost Models

The BPM mail processing cost model continues to rely on the Docket No. R2006-1 methodology. The BPM transportation cost model presented in the earliest ACR dockets also relied on the Docket No. R2006-1 methodology, with one exception. Prior to the 2008 ACR, the BPM CRA line item was separated into two line items, one for BPM flats and one for BPM parcels. Since that time, separate transportation cost estimates have been developed for BPM flats and BPM parcels, as well as BPM as a whole (flats and parcels in aggregate).

After the 2009 ACR was filed, the Commission issued Chairman's Information Request No. 1 on January 22, 2010. Question 18 of that request noted that there were instances where the BPM model referenced the former Single-Piece Parcel Post split between Intra-BMC and Inter-BMC. Because the Single-Piece Parcel Post distinction between Intra-BMC and Inter-BMC no longer existed, the models used the FY 2008 Intra-BMC/Inter-BMC volume split as a proxy. The Commission requested the rationale for continuing to use the FY 2008 disaggregation, and asked if this methodology would continue in the future models. On February 2, 2010, the Postal Service responded by indicating that the FY 2008 data were used as proxies because no other data were available, but that the methodology and the availability of alternative cost model input data would be evaluated.

In Docket No. RM2011-5, Proposal Twelve the Postal Service recommended alternative data inputs. Upon further review, the Postal Service determined that even though the Parcel Post single-piece transportation cost model was no longer presented in ACRs, the cost segment 14.3 data that were used to calculate the zone-related percentages were still available. It was proposed that these data be used to estimate the zone-related percentages in future versions of the BPM transportation cost model. The Commission approved the Proposal Twelve cost model in Order No. 724 (May 4, 2011).

The BPM mail processing cost model (USPS-FY12-15) and transportation cost model (USPS-FY12-16) can be viewed as representing the operating conditions in place during FY12. Although the Postal Service views this Commission-approved model as an improvement over former versions of the model, it will continue to evolve as the network, price structure, and CRA reporting requirements change. The age of some cost model input data, however, is a concern. The Postal Service will investigate the extent to which the Docket No. RM2010-12, Proposal Seven methodology can be applied to the BPM mail processing cost model. In addition, the Postal Service will investigate the extent to which some parcel input data, which have been collected during more recent field studies, can be incorporated into the transportation cost model.

Bulk Parcel Return Service (BPRS) Cost Model

The BPRS cost model presented in the earlier ACR dockets relied on the Docket No. R2006-1 methodology. After the 2009 ACR was filed, the Commission issued Chairman's Information Request No. 1 on January 22, 2010. Question 18 of that request noted that there were instances where the BPRS cost model referenced the former Single-Piece Parcel Post split between Intra-NDC and Inter-NDC. Because the Single-Piece Parcel Post distinction between Intra-NDC and Inter-NDC no longer existed, the model used the FY 2008 Intra-NDC/Inter-NDC volume split as a proxy. The Commission requested the rationale for continuing to use the FY 2008 disaggregation, and asked if this methodology would continue in the future models. On February 2, 2010, the Postal Service responded by indicating that the FY 2008 data were used as proxies because no other data were available, but that the methodology and the availability of alternative cost model input data would be evaluated.

In Docket No. RM2011-5, Proposal Twelve, the Postal Service proposed alternative data inputs to the BPRS cost model. BPRS parcels, by definition, are returned Standard Mail machinable parcels. The Postal Service therefore proposed that data from the Standard Mail destination entry cost model be used to estimate the BPRS transportation and delivery costs. The Commission approved Proposal Twelve changes in Order No. 724 (May 4, 2011).

The BPRS cost model (document USPS-FY12-16) can be viewed as representing the operating conditions in place during FY12. Although the Postal Service views this Commission-approved model as an improvement over former versions of the model, it will continue to evolve as the network, price structure, and CRA reporting requirements change. The age of some cost model input data, however, is a concern. The Postal Service will investigate the extent to which some parcel input data, which have been collected during more recent field studies, can be incorporated into the BPRS cost model.

Business Reply Mail (BRM) Cost Model

The Commission has not always filed a BRM cost model in the library references that have accompanied its Opinion and Recommended Decisions in past rate cases. The official version of the cost model presented in the earlier ACR dockets therefore relied on the same methodology presented by the Postal Service in Docket No. R2006-1.

In Docket No. RM2012-2, Proposal Twenty, the Postal Service presented a new BRM cost model that relied on new data collected during the summer of 2011. These data were used to develop more accurate fee cost estimates. In Proposal Twenty, the Postal Service also addressed concerns the Commission has expressed in the past with the measurement of the qualified business reply mail

(QBRM) worksharing related savings estimate that is also contained in the model.

The Commission approved the use of the new data in Order No. 1383 (June 26, 2012). Order No. 1383, however, dictated that the scope of the QBRM analysis should be expanded to include some manual costs. In addition, the Commission instructed the Postal Service to further refine the QBRM analysis to incorporate the processing steps that low volume recipients incur. Given that the Postal Service explained why a more narrowly defined analysis was appropriate in Proposal Twenty, regardless of the specific volume a mailer receives, it is unclear exactly what the Commission expects to see in future BRM proposals. Regardless, the Postal Service will attempt to investigate alternative QBRM methodologies.

Based on this recent activity, the BRM cost model (document USPS-FY12-21) can be viewed as representing the operating conditions in place during FY12. In addition, the age of the cost model input data should ensure that the cost estimates are robust.

Parcel Select / Parcel Return Service Mail Processing and Transportation Cost Models

The Parcel Post / Parcel Select / Parcel Return Service mail processing and transportation cost models presented in the earlier ACR dockets relied on the Docket No. R2006-1 methodology in which the cost estimates were derived from one set of costs. As the Commission discussed in Order No. 118 (October 22, 2008) and Order No. 156 (December 23, 2008), the Postal Service is now able to provide separate and distinct mail processing and transportation cost data for Parcel Post, Parcel Select, and Parcel Return Service mail. In Docket No. RM2010-5, Proposal 28, the Postal Service proposed to eliminate the Parcel Post mail processing and transportation cost models, as they were no longer necessary to support the existing price structure. The Commission approved Proposal 28 in Order No. 394 (January, 21, 2010).

In Docket No. RM2009-10, Proposal Fourteen, the Postal Service presented new mail processing and transportation cost models that could be used to estimate costs for the Parcel Select and Parcel Return Service price categories. While the mail processing and transportation cost estimates for Parcel Select and Parcel Return Service were derived from separate and distinct cost data, they were contained in one mail processing cost model and one transportation cost model, respectively. The Commission approved Proposal Fourteen in Order No. 339 (November 13, 2009).

In Docket No. RM2011-5, Proposal Thirteen, the Postal Service presented a new Parcel Select / Parcel Return Service mail processing cost model that relied on

the Docket No. RM2010-12, Proposal Seven methodology. The Commission approved Proposal Thirteen in Order No. 719 (April 28, 2011).

In Docket No. RM2011-6, Proposal Fourteen, the Postal Service proposed that the Parcel Select / Parcel Return Service transportation cost model should be modified in the following ways: (1) the transportation cost estimates should only be presented for the current price categories, (2) the transportation legs for the non-destination entry price categories should be estimated using PostalOne! data, (3) the official revenue, pieces and weight (RPW) volumes should be incorporated into the analysis, (4) the Parcel Return Service transportation costs should be distributed using the same method that is relied upon to distribute Parcel Select transportation costs, and (5) a new methodology should be incorporated to estimate the return network distribution center (RNDC) cubic foot miles by zone. The Commission approved Proposal Fourteen in Order No. 719 (April 28, 2011).

The Postal Service proposed the addition of new mail processing cost pools in Docket No. RM2011-12, Proposal Five and Proposal Six. The Commission subsequently approved those proposals in Order No. 920 (October 21, 2011).

In January 2012, the Commercial machinable and irregular price categories were renamed "Lightweight Parcel Select" and were moved to the Parcel Select competitive product. In Docket No. RM2012-8, Proposal Eight, the Postal Service presented a revised Parcel Select / Parcel Return Service mail processing cost model into which the Lightweight Parcel Select price categories had been incorporated. The Commission subsequently approved Proposal Eight in Order No. 1567 (December 6, 2012). Given that Parcel Select is zoned and Lightweight Parcel Select is not zoned, the Lightweight Parcel Select price categories were not incorporated into the transportation cost model. It was therefore not necessary to file any related proposals at the Commission. Instead, the Parcel Select transportation costs are estimated using cost segment data that represents Parcel Select only and excludes Lightweight Parcel Select costs.

Based on this recent activity, the Parcel Select / Parcel Return Service mail processing cost model (USPS-FY12-NP15) and transportation cost model (USPS-FY12-NP16) can be viewed as representing the operating conditions in place during FY12. Although the Postal Service views this Commission-approved model as an improvement over former versions of the model, it will continue to evolve as the network, price structure, and CRA reporting requirements change. In addition, the age of the cost model input data should ensure that the cost estimates are robust.