

BOUND PRINTED MATTER MAIL PROCESSING COST MODEL AND MEDIA MAIL - LIBRARY MAIL MAIL PROCESSING COST MODEL

I. PREFACE

A. Purpose and Content

USPS-FY13-15 documents the mail processing and delivery cost estimates for Bound Printed Matter and the mail processing cost estimates for Media Mail - Library Mail.

B. Predecessor Document

Docket No. ACR2012, USPS-FY12-15

C. Corresponding Non-Public or Public Document

There is no non-public document that corresponds to USPS-FY13-15.

D. Methodology Changes

The Bound Printed Matter mail processing cost model relies on the same methodology presented in Docket No. ACR2012, USPS-FY12-15. The Media Mail – Library Mail mail processing cost model also relies on the same methodology presented in Docket No. ACR2012, USPS-FY12-15.

E. Inputs/Outputs

The Bound Printed Matter cost estimates are calculated using the following inputs:

<u>Input Source</u>	<u>Input Description</u>
USPS-FY13-1	Bound Printed Matter flat and parcel volumes Bound Printed Matter flat and parcel weights
USPS-FY13-2	Delivery Activities costs, CS 7.2
USPS-FY13-4	Billing determinants data
USPS-FY13-7	Volume variability factors Premium pay factors Wage rates
USPS-FY13-22	Bound Printed Matter mail processing costs
USPS-FY13-23	MODS productivity data

USPS-FY13-24	Piggyback factors
USPS-FY13-25	Piggyback factors
USPS-FY13-36	Bound Printed Matter mail piece density
USPS-FY08-15	Parcel Post assumptions 2008 Delivery Unit (DU) Study data MTM-4M Time Estimates
Docket No. R2000-1, USPS-T-26, Attachment Y	ASF volume percentage
Docket No. R2000-1, USPS-T-27, Attachment H	Outgoing cost percentages
Docket No. R2000-1, USPS-LR-I-88	Productivity data
Docket No. R2000-1, USPS-LR-I-90	Productivity data
Docket No. R2000-1, USPS-LR-I-109	Dispatch profile Mail characteristics data
Docket No. R97-1, USPS-LR-H-131	Arrival profile
Docket No. R97-1, USPS-LR-H-132	Productivity data
Docket No. R97-1, USPS-LR-H-133	Container dimension data
Docket No. R84-1, Exhibit USPS-T-14I	Pieces per container data 1982 cubic feet per piece

The Bound Printed Matter cost estimate outputs are relied upon to develop the discounts and passthrough values contained in USPS-FY13-3.

The Media Mail / Library Mail cost estimates are calculated using the following inputs:

Input Source

Input Description

USPS-FY13-1

Media Mail / Library Mail volumes

	Media Mail / Library Mail weights
USPS-FY13-4	Media Mail / Library Mail billing determinants data
USPS-FY13-7	Volume variability factors Premium pay factors Wage rates
USPS-FY13-23	MODS productivity data
USPS-FY13-25	Piggyback factors
USPS-FY13-26	Media Mail / Library Mail mail processing unit cost estimate by cost pool
USPS-FY13-36	Media Mail / Library Mail mail piece density
USPS-FY08-15	Parcel Post assumptions 2008 Delivery Unit (DU) Study data MTM-4M Time Estimates Inter-BMC / Intra-BMC Percentage Distribution Operating Statistics
Docket No. R2000-1 USPS-LR-I-88	Sack dumping productivity estimate
Docket No. R97-1, USPS-LR-H-131	Arrival profile
Docket No. R97-1, USPS-LR-H-132	Productivity data Dispatch profile
Docket No. R97-1, USPS-LR-H-133	Container dimension data
Docket No. R84-1, Exhibit USPS-T-14I	Pieces per container data
2013 Parcel Post data	Percent of mail that is Zones 1-3 (Intra-NDC)
2013 RPW Data	Media Mail / Library Mail volumes by shape
2013 Special Weights Reports	Weight data

The Media Mail / Library Mail cost estimate outputs are relied upon to develop the discounts and passthrough values contained in USPS-FY13-3. 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-FY13-16.

II. ORGANIZATION

The Bound Printed Matter cost estimates are presented in the Microsoft Excel workbook 'USPS-FY13-15.BPM.xls' in the spreadsheet tab entitled 'Summary' (page 1). Data sources are referenced in each spreadsheet throughout the workbook. The results are also reported in Table 1 below.

TABLE 1: BOUND PRINTED MATTER COST ESTIMATES

<u>Category Description</u>	<u>Cost Estimate</u>
DBMC Cost Savings Estimate	\$ 0.140
DSCF Cost Savings Estimate	\$ 0.492
DDU Cost Savings Estimate	\$ 0.161
Carrier Route Presort Cost Savings Estimate	\$ 0.145

The Media Mail / Library Mail cost estimates are presented in the Microsoft Excel workbook 'USPS-FY13-15.MM-LM.xls' in the spreadsheet tab entitled 'Summary' (page 1). Data sources are referenced in each spreadsheet throughout the workbook. The results are also reported in Table 2 below.

TABLE 2: MEDIA MAIL / LIBRARY MAIL COST ESTIMATES

<u>Category Description</u>	<u>Cost Estimate</u>
Total Mail Processing Unit Cost Estimates	
Single-Piece	\$ 2.272
Basic Presort	\$ 1.967
5-Digit Presort	\$ 1.334
Mail Processing Unit Cost Savings Estimates	
Basic Presort	\$ 0.305
5-Digit Presort	\$ 0.937