

FY 2013 DELIVERY COSTS BY SHAPE

I. PREFACE

A. Purpose and Content

USPS-FY13-19 documents the development of FY 2013 delivery costs by rate category for First-Class, Periodicals, Standard, Bound Printed Matter, and Media Mail.

B. Predecessor Documents

In Docket No. ACR2012, PRC-ACR2012-LR6-FY2012 and USPS-FY12-19.

C. Corresponding Non-Public or Public Document

There is no corresponding Non-Public document to USPS-FY13-19.

D. Methodology Changes

USPS-FY13-19 utilizes the established methodology from PRC-ACR2012-LR6. However, a correction was implemented regarding the assignment of relevant special purpose route street costs to parcels. Now, those costs are correctly assigned to parcel shaped pieces rather than, as was done previously, to letter, flat, and parcel shaped pieces. This assignment method is consistent with the method used in cost segment 7.

E. Inputs/Outputs

Inputs:

Workbook in	Tabs	Input Workbook	ACR Folder
USPS-FY13-19	USPS-FY13-19		
UDCInputs13	7.0.6, 7.0.8, 7.0.6.10, CS06&7 CRA, CityDALCosts, CS7Shape,	CS06&7	USPS-FY13-32
UDCInputs13	CS10CRA, RuralCosts, RuralVols	CS10	USPS-FY13-32
UDCInputs13	CCSECRVols	CCCS_Matrix_FY13_Final	USPS-FY13-34
UDCInputs13	CCSDALs	CCCS_DALCasing_FY13	USPS-FY13-34
UDCInputs13	RCSECRVols, BoxholderbyShape	RCCS_Matrix_FY13_Final	USPS-FY13-35

Workbook in USPS-FY13-19	Tabs USPS-FY13-19	Input Workbook	ACR Folder
UDCInputs13	RCSDALs	RCCS_DAL_FY13_Final.	USPS-FY13-35
UDCInputs13	CARMM, CARMECR	KLTable13_All	USPS-FY13-37 (CARMM File)
UDCInputs13	CARMMCaseing,	KLTable13_Casing	USPS-FY13-37 (CARMM File)
UDCInputs13	BYPBACK	FY13PBackAll	USPS-FY13-24
UDCInputs13	DPS%	FY13 DPS Percentages	USPS-FY13-10
UDCInputs13	RPWShape	FY13RPWADJ	USPS-FY13-14
UDCInputs13	Inputs	First Class and Standard Mail WGTI 2013	USPS-FY13-10
UDCInputs13	Collection_Costs_Indicia	KL_Table13_FCSP_Collectio n_Cost_By_Indicia	USPS-FY13-37 (CARMM File)

Outputs

USPS-FY13-3 - Discounts and Passthroughs of Workshare Items

USPS-FY13-10 - Special Cost Studies Workpapers -Letter Cost Models

USPS-FY13-27 - Nonprofit Mail Cost Approximations

USPS-FY13-30 - Market Dominant NSA Materials

II. ORGANIZATION

USPS-FY13-19 contains six Excel workbooks and three SAS log files. The three Excel workbooks titled **KLTable13_Casing**, **KLTable13_All**, and **KLTable13_FCSP_Collection_Cost_By_Indicia**, are outputs from running the respective SAS programs against the IOCS CARMM data file which is contained in USPS-FY13-37. These workbooks provide 6.1 *casing only costs*, 6.1 *direct labor costs*, and First Class Single Piece letter collection costs by indicia by route grouping (letter

route, SPR, and other) by rate category. The workbook **UDCInputs13.xls** consists of the necessary cost and volume inputs. The workbook **VolAdj13.xls** contains all of the volume adjustments that are part of the established methodology. Lastly, the workbook **UDCModel13.xls** takes the inputs and volume adjustments and performs the calculations to get the final required unit delivery and collection costs by rate category (which are found in Table 1 and reproduced below..

Documentation of the content of each tab within the **UDCInputs13**, **UDCVolAdj13**, and **UDCModel13** workbooks is included in the tab titled ‘**NOTES**’ within each of the three workbooks. The ‘**NOTES**’ tab lists all of the tabs within each workbook along with a brief description of its function.

Table 1 – FY13 Unit Delivery Costs (Cents)

Rate Category	Unit Delivery Cost (Cents)
First Class Single Piece	
Letters	10.375
Flats	19.708
First Class Parcels	34.002
First Class Presort	
Non-automation Nonmach Mixed AADC	18.548
Non-automation Nonmach AADC	18.548
Non-automation Mach Mixed AADC	4.832
Nonautomation -- Mach AADC	4.531
Nonautomation – Nonmach 3-Digit	18.548
Nonautomation – Nonmach 5-Digit	18.548
Nonautomation -- Mach 3-Digit	4.531
Nonautomation -- Mach 5-Digit	4.531
Automation Mixed AADC	4.953
Automation AADC	4.713
Auto 3-Digit Letters	4.734
Auto 5-Digit Letters CSBCS/Manual Sites	18.135

Table 1 FY13 Unit Delivery Costs	Unit Delivery Costs (Cents)
Auto 5-Digit Letters Other Sites	3.690
Auto 5-Digit Letters	4.425
Presort Letters (Avg)	4.587
Presort Flats	21.323
First Class Cards	
Single Piece	12.127
FC Nonautomation Cards	3.965
Auto Mixed AADC Cards	4.060
Auto AADC Cards	3.871
Auto 3-Digit Cards	3.888
Auto 5-Digit Cards	3.644
Auto 5-Digit Cards CSBCS/Manual Sites	14.450
Auto 5-Digit Cards Other Sites	3.065
Presort Cards (Avg)	3.810
Periodicals	
Letters	7.544
Flats	11.857
Parcels	45.808
Package Services – Bound Printed Matter	
Flats	14.921
Parcels	38.434
Package Services – Media Mail	
Flats	28.301
Parcels	81.305
Standard Regular	
Nonautomation -- Nonmach Mixed ADC	14.310
Nonautomation – Nonmach ADC	14.310
Nonautomation – Mach Mixed AADC	4.582
Nonautomation -- Mach AADC	4.582
Nonautomation – Nonmach 3-Digit	14.310
Nonautomation – Nonmach 5-Digit	14.310
Automation Mixed AADC	4.667
Automation AADC	4.498
Automation 3-Digit Letters	4.512

Table 1 FY13 Unit Delivery Costs	Unit Delivery Costs (Cents)
Automation 5-Digit Letters	4.293
Standard Letters. (Average)	4.689
Flats	15.254
Parcels	35.782
High Density/Saturation	
High Density Letters	3.301
Saturation Letters	4.298
High Density Flats WITH DAL	8.638
High Density Flats WITHOUT DAL	8.580
Saturation Flats WITH DAL	5.416
Saturation Flats WITHOUT DAL	5.225
Docket No. RM2010-13	
First Class Single Piece – Metered Letters Collection Cost	2.914