

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268B0001

POSTAL RATE AND FEE CHANGES
PURSUANT TO PUBLIC LAW 108-18

Docket No. R2005-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 7
(June 24, 2005)

The United States Postal Service hereby provides the responses to Presiding Officer's Information Request (POIR) No. 7, issued June 10, 2005. The response to Question 7 has been separated into two parts, one with the requested data for USPS-LR-K-100 provided through an institutional response and one with the requested data for USPS-LR-K-55 sponsored by witness Van-Ty-Smith. The following witnesses are sponsoring the identified responses to this POIR:

Witness Pafford: Question 5

Witness Smith: Questions 8-13

Witness Taufique: Questions 4, 14, and 16

Witness Tayman: Question 15

Witness Van-Ty-Smith: Question 7 (Part 2)

Institutional Response: Questions 2, 6, 7 (Part 1)

Each question is stated verbatim and is followed by the response. Responses to questions 1 and 3 are forthcoming.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Keith E. Weidner

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1134
(202) 268-6252; Fax -3084

RESPONSE OF UNITED STATES POSTAL SERVICE
TO POIR NO. 7, QUESTION 2

2. Please provide the IOCS SAS tally analysis program which produced the variability estimate of 59.4% listed in response to POIR No. 4, question 9.

RESPONSE:

The program, which is available in hardcopy only, appears on the following page.

RESPONSE OF UNITED STATES POSTAL SERVICE
TO POIR NO. 7, QUESTION 2

*
* ANALYSIS OF REGISTRY - CLERK/MAILHANDLERS MAIL PROCESSING
*

```
;
DATA OUT;
SET IOCl.TALLY04;
KEEP OPCODE HNDLING F244 DOLLR;

  IF F262 = '0060';

  IF F260 IN ('09', '10', '17', '24', '25', '26')
    OR F260 > '29' THEN DELETE;

  IF F129 < 'A' THEN F129 = '-';
  IF F9416 < 'A' THEN F9416 = '-';
  DOLLR = F9250/100000;

  HNDLING = 'NEITHER';
  IF F129 IN ('A', 'B') THEN HNDLING = 'HANDLING MAIL';
  ELSE
  IF F9416 = 'A' THEN HNDLING = 'HANDLING MAIL';
  ELSE
  IF F129 = 'C' THEN HNDLING = 'NO MAIL BUT SVC';

  OPCODE = ' ';
  OPCODE = F260 || ' ';

  IF F260 = '00' THEN OPCODE = '00 POSTAGE DUE';
  ELSE
  IF F260 = '01' THEN OPCODE = '01 PREP. OF MAIL';
  ELSE
  IF F260 = '02' THEN OPCODE = '02 OUTGO.PRIMARY';
  ELSE
  IF F260 = '03' THEN OPCODE = '03 OUTGO.SECNDRY';
  ELSE
  IF F260 = '04' THEN OPCODE = '04 INCOM.PRIMARY';
  ELSE
  IF F260 = '05' THEN OPCODE = '05 INCOM.SENDDRY';
  ELSE
  IF F260 = '06' THEN OPCODE = '06 NIXIE';
  ELSE
  IF F260 = '07' THEN OPCODE = '07 PLATFM.ACCEPT';
  ELSE
  IF F260 = '08' THEN OPCODE = '08 PLATFM.OTH.WK';
  ELSE
  IF F260 = '11' THEN OPCODE = '11 POST OFC. BOX';
  ELSE
  IF F260 = '12' THEN OPCODE = '12 CALL. SERVICE';
  ELSE
  IF F260 = '13' THEN OPCODE = '13 MIX.POBOX-CAL';
  ELSE
  IF F260 = '14' THEN OPCODE = '14 CENT. MARKUP';
  ELSE
  IF F260 = '15' THEN OPCODE = '15 C.CARR. DIST.';
  ELSE
  IF F260 = '16' THEN OPCODE = '16 R.CARR. DIST.';
  ELSE
  IF F260 = '18' THEN OPCODE = '18 REGISTRY ONLY';
  ELSE

  IF F260 = '20' THEN OPCODE = '20 SROT TO POBOX';
  ELSE
  IF F260 = '21' THEN OPCODE = '21 EXPEDITED DLV';
  ELSE
  IF F260 = '22' THEN OPCODE = '22 EXPRESS MAIL';
  ELSE
  IF F260 = '23' THEN OPCODE = '23 OTH.ACCNTABLE';
  ELSE
  IF F260 = '27' THEN OPCODE = '27 C.DST.SEC/SEG';
  ELSE
  IF F260 = '28' THEN OPCODE = '28 C.DST.ABC/WLK';
  ELSE
  IF F260 = '29' THEN OPCODE = '29 C.DST.OTHER';

PROC FREQ;
TABLES OPCODE*HNDLING / NOPERCENT NOROW NOCOL;
WEIGHT DOLLR;
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RESPONSE OF WITNESS TAUFIQUE
TO POIR NO. 7, QUESTION 4

4. Please update the volumes by zone and weight in the Billing Determinants, USPS-T-28A, PM-1, based on witness Taufique's response to POIR No. 5, Question 3, part e.

RESPONSE:

The attached spreadsheet provides the updated volumes by zone and weight.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PAFFORD
TO PRESIDING OFFICER'S INFORMATION REQUEST No. 7, QUESTION 5

5. Please refer to MC2004-2. Please provide volume data by weight increment and zone for the experimental Priority Mail Flat-Rate Box. Also, please provide any estimated or actual costs associated with these volumes, and explain the derivation of these costs.

RESPONSE:

Attached, please find POIR7_Q5_FRB_Vols.xls, an Excel file showing, from ODIS-RPW, the distribution of Priority Mail flat-rate box volume by weight increment and zone in the first and second quarters of FY 2005. First-quarter volume began on November 20, the flat rate box experiment's implementation date.

It is my understanding that estimated or actual costs for the Priority Mail flat-rate box are not available.

Priority Mail
Flat-Rate Box
Total Volume, ODIS-RPW
Distributed by "Special Weight Report"
FY 2005, Quarter 1

WEIGHT STEP	ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6	ZONE 7	ZONE 8	ZONE UNKNOWN	Total	Perc. of Total	Cum. Perc.
1 OUNCE	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
2 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
3 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
4 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
5 OUNCES	0	0	308	0	0	0	0	0	0	308	0.0%	0.0%
6 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
7 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
8 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
9 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
10 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
11 OUNCES	0	0	0	0	1,771	0	0	0	0	1,771	0.2%	0.3%
12 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.3%
13 OUNCES	0	0	0	1,465	0	0	0	0	0	1,465	0.2%	0.5%
14 OUNCES	0	0	0	0	0	5,885	0	0	0	5,885	0.8%	1.3%
15 OUNCES	0	0	0	488	524	0	0	0	0	1,013	0.1%	1.4%
16 OUNCES	0	0	262	262	488	1,086	0	1,270	0	3,369	0.5%	1.9%
17 OUNCES	0	651	64	0	0	0	3,126	1,734	0	5,576	0.8%	2.6%
18 OUNCES	0	0	2,467	1,026	0	0	684	981	0	5,158	0.7%	3.3%
19 OUNCES	0	0	0	3,957	293	0	0	480	0	4,729	0.6%	4.0%
20 OUNCES	651	0	318	1,059	0	562	0	0	0	2,590	0.4%	4.3%
21 OUNCES	0	0	1,117	0	0	0	208	360	0	1,684	0.2%	4.6%
22 OUNCES	0	0	244	5,231	330	0	0	1,099	0	6,904	0.9%	5.5%
23 OUNCES	0	0	496	2,155	2,768	1,143	3,077	603	0	10,243	1.4%	6.9%
24 OUNCES	156	0	503	0	0	4,213	0	0	0	4,873	0.7%	7.6%
25 OUNCES	583	0	0	1,155	0	1,714	0	0	0	3,451	0.5%	8.0%
26 OUNCES	0	0	244	749	155	6,530	0	1,954	0	9,632	1.3%	9.3%
27 OUNCES	0	0	488	244	602	488	2,137	1,150	0	5,111	0.7%	10.0%
28 OUNCES	562	427	0	61	5,047	0	488	117	0	6,703	0.9%	11.0%
29 OUNCES	0	2,565	1,343	1,704	1,368	545	0	641	244	8,411	1.1%	12.1%
30 OUNCES	2,037	476	733	1,551	220	3,885	0	3,835	0	12,736	1.7%	13.8%
31 OUNCES	0	0	29	0	2,827	1,373	298	1,368	1,465	7,360	1.0%	14.8%
32 OUNCES	0	384	0	814	0	256	0	2,198	0	3,653	0.5%	15.3%
3 POUNDS	8,647	9,291	8,528	18,470	24,653	18,956	16,456	51,760	2,316	159,075	21.7%	37.0%
4 POUNDS	3,804	5,946	10,364	13,836	24,863	22,083	23,596	50,000	3,712	158,204	21.5%	58.5%
5 POUNDS	1,679	2,613	3,421	14,578	17,865	7,169	9,116	32,077	1,486	90,005	12.3%	70.8%
6 POUNDS	1,381	4,094	7,416	10,755	20,464	6,768	7,471	26,201	0	84,548	11.5%	82.3%
7 POUNDS	600	0	1,243	5,551	3,636	2,984	3,307	14,005	0	31,325	4.3%	86.6%
8 POUNDS	488	0	400	8,486	8,821	3,949	1,755	9,701	1,303	34,902	4.8%	91.3%
9 POUNDS	0	24	4,388	5,398	3,017	7,076	3,041	5,059	0	28,003	3.8%	95.1%
10 POUNDS	0	727	1,779	167	5,971	3,419	1,209	3,575	0	16,847	2.3%	97.4%
11 POUNDS	0	0	2,576	0	2,137	310	0	1,404	0	6,428	0.9%	98.3%
12 POUNDS	1,058	88	366	0	1,921	0	936	208	0	4,577	0.6%	98.9%
13 POUNDS	1,368	0	0	0	773	293	0	244	0	2,678	0.4%	99.3%
14 POUNDS	0	0	366	2,241	0	0	269	440	0	3,316	0.5%	99.8%
15 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.8%
16 POUNDS	0	0	0	0	244	0	0	0	0	244	0.0%	99.8%
17 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.8%
18 POUNDS	0	0	0	0	0	0	0	159	0	159	0.0%	99.8%

19 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.8%
20 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.8%
21 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.8%
22 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.8%
23 POUNDS	0	0	0	204	0	0	0	0	0	204	0.0%	99.8%
24 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.8%
25 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.8%
26 POUNDS	0	0	0	0	733	0	0	0	0	733	0.1%	99.9%
27 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
28 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
29 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
30 POUNDS	0	0	0	0	0	497	0	0	0	497	0.1%	100.0%
31 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
32 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
33 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
34 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
35 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
36 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
37 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
38 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
39 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
40 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
41 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
42 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
43 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
44 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
45 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
46 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
47 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
48 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
49 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
50 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
51 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
52 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
53 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
54 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
55 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
56 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
57 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
58 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
59 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
60 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
61 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
62 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
63 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
64 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
65 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
66 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
67 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
68 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
69 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
70 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
Total	23,015	27,287	49,464	101,606	131,490	101,185	77,175	212,621	10,527	734,370		

Priority Mail
Flat-Rate Box
Total Volume, ODIS-RPW
Distributed by "Special Weight Report"
FY 2005, Quarter 2

WEIGHT STEP	ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6	ZONE 7	ZONE 8	ZONE UNKNOWN	Total	Perc. of Total	Cum. Perc.
1 OUNCE	0	0	0	0	0	0	0	772	0	772	0.0%	0.0%
2 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.0%
3 OUNCES	0	0	0	0	0	0	0	1,303	0	1,303	0.0%	0.1%
4 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.1%
5 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.1%
6 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.1%
7 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.1%
8 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.1%
9 OUNCES	0	0	0	0	0	0	0	0	0	0	0.0%	0.1%
10 OUNCES	227	0	0	0	0	0	0	0	0	227	0.0%	0.1%
11 OUNCES	920	0	0	0	0	0	0	0	0	920	0.0%	0.1%
12 OUNCES	0	243	0	0	0	0	0	333	0	576	0.0%	0.1%
13 OUNCES	1,320	0	1,449	378	633	0	6,130	0	1,158	11,068	0.4%	0.6%
14 OUNCES	0	278	0	573	1,910	0	695	1,721	0	5,177	0.2%	0.8%
15 OUNCES	371	0	266	556	93	0	6,137	1,112	0	8,533	0.3%	1.1%
16 OUNCES	1,971	0	1,385	1,853	756	799	147	834	0	7,744	0.3%	1.4%
17 OUNCES	3,763	0	704	365	1,029	0	299	347	117	6,624	0.2%	1.6%
18 OUNCES	463	885	0	1,479	2,663	0	2,308	7,723	0	15,520	0.6%	2.2%
19 OUNCES	0	139	2,026	3,465	2,660	3,045	4,709	3,076	135	19,255	0.7%	2.9%
20 OUNCES	868	2,420	96	915	896	2,899	1,226	3,312	0	12,632	0.5%	3.4%
21 OUNCES	0	224	1,196	2,504	4,054	356	1,737	6,461	1,127	17,659	0.7%	4.1%
22 OUNCES	3,362	58	1,005	618	2,084	5,028	1,428	3,144	224	16,949	0.6%	4.7%
23 OUNCES	0	0	1,534	3,386	4,301	1,077	1,482	3,158	0	14,937	0.6%	5.3%
24 OUNCES	3,647	1,571	139	147	4,415	137	234	2,675	0	12,964	0.5%	5.7%
25 OUNCES	556	2,049	0	3,618	2,473	2,181	907	2,993	0	14,776	0.6%	6.3%
26 OUNCES	463	1,262	0	586	2,960	2,394	690	2,767	605	11,728	0.4%	6.7%
27 OUNCES	2,258	2,663	8,266	4,253	5,625	1,837	1,119	1,660	47	27,729	1.0%	7.8%
28 OUNCES	1,633	545	104	7,026	4,636	2,225	301	4,545	149	21,163	0.8%	8.6%
29 OUNCES	278	2,665	0	963	780	1,617	2,863	5,291	0	14,456	0.5%	9.1%
30 OUNCES	1,062	327	981	5,083	849	3,056	513	4,851	44	16,767	0.6%	9.8%
31 OUNCES	509	0	5,357	1,124	3,551	2,781	3,860	2,145	0	19,328	0.7%	10.5%
32 OUNCES	1,290	1,193	1,428	689	1,556	2,532	35	5,436	0	14,159	0.5%	11.0%
3 POUNDS	15,304	20,838	24,273	42,704	60,864	44,903	73,178	198,399	5,364	485,827	18.3%	29.3%
4 POUNDS	13,722	19,239	19,647	46,526	127,910	73,624	47,883	169,196	5,164	522,911	19.7%	48.9%
5 POUNDS	6,208	9,167	23,233	48,760	64,624	60,207	51,894	135,897	6,429	406,419	15.3%	64.2%
6 POUNDS	8,667	8,715	7,427	27,367	68,049	37,788	24,194	89,693	3,926	275,827	10.4%	74.6%
7 POUNDS	9,086	3,053	5,399	30,827	39,283	36,311	19,217	62,815	1,002	206,993	7.8%	82.3%
8 POUNDS	7,884	1,611	7,069	26,654	24,916	20,023	11,472	39,088	2,637	141,354	5.3%	87.7%
9 POUNDS	4,643	2,441	2,964	13,563	22,659	12,470	4,155	30,864	847	94,606	3.6%	91.2%
10 POUNDS	4,671	3,413	7,972	7,806	18,439	10,108	6,309	12,792	380	71,889	2.7%	93.9%
11 POUNDS	5,711	3,674	4,833	3,500	9,715	4,497	2,116	8,615	261	42,922	1.6%	95.5%
12 POUNDS	764	1,177	2,004	2,799	4,871	1,685	1,362	5,949	309	20,920	0.8%	96.3%
13 POUNDS	1,088	193	1,297	5,264	7,070	2,752	394	8,341	142	26,540	1.0%	97.3%
14 POUNDS	0	1,389	1,229	1,648	1,382	243	579	8,900	0	15,371	0.6%	97.9%
15 POUNDS	0	232	347	1,453	3,928	2,763	463	2,206	278	11,670	0.4%	98.3%
16 POUNDS	0	579	0	563	1,088	174	903	5,087	0	8,394	0.3%	98.6%

17 POUNDS	0	0	695	637	116	0	0	0	0	1,447	0.1%	98.7%
18 POUNDS	0	0	2,084	453	0	0	0	753	0	3,289	0.1%	98.8%
19 POUNDS	0	0	0	0	208	1,848	0	1,222	5	3,283	0.1%	98.9%
20 POUNDS	116	0	0	1,457	0	1,389	1,887	116	0	4,965	0.2%	99.1%
21 POUNDS	0	0	0	1,784	0	232	0	0	0	2,016	0.1%	99.2%
22 POUNDS	0	0	197	1,250	0	0	0	69	0	1,517	0.1%	99.3%
23 POUNDS	0	0	0	142	0	0	0	6,269	0	6,411	0.2%	99.5%
24 POUNDS	0	0	0	0	0	139	0	0	0	139	0.0%	99.5%
25 POUNDS	0	0	0	1,737	0	174	208	0	0	2,119	0.1%	99.6%
26 POUNDS	0	0	0	0	0	347	1,088	1,621	0	3,057	0.1%	99.7%
27 POUNDS	0	0	0	0	0	0	4,069	0	0	4,069	0.2%	99.9%
28 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
29 POUNDS	0	0	0	0	434	0	0	0	0	434	0.0%	99.9%
30 POUNDS	0	0	0	0	0	0	0	347	0	347	0.0%	99.9%
31 POUNDS	0	0	5	0	0	347	0	0	0	352	0.0%	99.9%
32 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
33 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
34 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
35 POUNDS	1,204	0	0	0	0	0	0	0	0	1,204	0.0%	99.9%
36 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
37 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
38 POUNDS	0	0	0	0	0	83	0	0	0	83	0.0%	99.9%
39 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	99.9%
40 POUNDS	0	0	0	0	0	0	0	0	14	14	0.0%	99.9%
41 POUNDS	0	0	0	0	486	0	0	0	0	486	0.0%	100.0%
42 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
43 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
44 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
45 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
46 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
47 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
48 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
49 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
50 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
51 POUNDS	0	0	0	0	0	463	0	0	0	463	0.0%	100.0%
52 POUNDS	0	0	0	0	463	0	0	0	0	463	0.0%	100.0%
53 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
54 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
55 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
56 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
57 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
58 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
59 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
60 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
61 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
62 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
63 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
64 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
65 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
66 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
67 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
68 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
69 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
70 POUNDS	0	0	0	0	0	0	0	0	0	0	0.0%	100.0%
Total	104,031	92,242	136,611	306,473	504,429	344,536	288,191	853,894	30,362	2,660,771		

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6. In response to interrogatory MMA/USPS-T16-17, witness Kelley provides a set of revised volumes for 'Delivery Volumes' worksheet in LR-K-101. Please explain why the BY City Carrier volumes (listed below) for First-Class Single-Piece and Presort listed in your response to MMA/USPS-T16-17 are different from the volumes listed in 'Delivery Volumes' worksheet, columns F, G, and H in LR-K-101.

LR-K-101.xls Worksheet Delivery Volumes				
CS7 Distribution Key Inputs				
<u>First-Class</u>	<u>CCS Letters</u>	<u>CCS Flats</u>	<u>CCS Parcels</u>	Total CCS
Single-Piece	17,565,046	1,701,042	237,599	19,503,687
Presort	29,355,620	470,464	11,121	29,837,205
Witness Kelley's response to MMA/USPS-T16-17				
<u>First-Class</u>	<u>CCS Letters</u>	<u>CCS Flats</u>	<u>CCS Parcels</u>	Total CCS
Single-Piece	17,548,389	1,634,457	320,840	19,503,687
Presort	29,201,824	630,826	4,555	29,837,205

The initial filing of LR-K-101 did not include all the relevant spreadsheets used to create LR-K-101.xls. Please provide a revised version of LR-K-101.xls reflecting the changes proposed in response to MMA/USPS-T16-17 including all related supporting spreadsheets that are linked to LR-K-101.xls.

RESPONSE:

For an explanation regarding the volumes, please refer to the Postal Service's response to MMA/USPS-T16-22. For the revised version of the library reference requested, please see revised USPS-LR-K-101, filed on June 17, 2005.

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7. A number of the SAS programs filed in LR-K-100 and LR-K-55 contain hardcoded figures such as those listed in the SAS program 'm5allied' in LR-K-100. Please identify the source of all hard-coded numbers used in LR-K-100 and LR-K-55.

RESPONSE:

(Question 7—Part 1) Hard-coded numbers used in LR-K-100 can be categorized into four groups as follows (in most of these cases, the tables were not shown in the LRs because the hard coded numbers are the same numbers that would have shown up in the tables):

- 1) PRC methodology for the allied operations (M5ALLIED, N5ALLIED, B5ALLIED).
- 2) Proportional Re-allocation of Clocking In and Out (Activity code '6522') and Standard Mail Mixed (Activity Code '5340') in program PERMITOT.
- 3) Adjustment for undistributed mixed mail items (Programs NONMOD12, NONMOD22).
- 4) Hard-Coded Data for MODS Cost Pools (DOLWGT)

- 1) PRC methodology for the allied operations (M5ALLIED, N5ALLIED, B5ALLIED).

Programs M5ALLIED, N5ALLIED, B5ALLIED replicate the PRC method used for allied cost pools shown in PRC-LR-5 in Docket R2000-1 whereby the subclass costs obtained from such method are substituted for the allied cost pool subclass costs obtained from programs MOD4DIST, NONMOD4, BMC4. Since the substitution applies to the subclass costs and not to the special services costs, the subclass costs resulting from the PRC method are adjusted so that they sum up in each allied cost pool to the total of all subclass costs obtained from MOD4 DIST, NONMOD4, BMC4. The adjustment is such that when all subclass costs are added to all other costs in each allied cost pool (such as special service costs, institutional costs, migrated costs), they sum up to the total accrued cost for the allied cost pool. The pool-specific adjustment is a ratio which includes in the numerator the allied cost pool total subclass costs obtained from MOD4DIST, NONMOD4, BMC4, and in the denominator the allied cost pool total subclass costs obtained from the application of the PRC method in M5ALLIED, N5ALLIED and B5ALLIED.

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For Program M5ALLIED, the ratios for each allied cost pool are hardcoded in the data step

'DATA ALLALLI' under the comment caption '-----adjust to cost pool \$ PRC
version-----' as listed below

```
DATA ALLALLI;
  SET ALLIEDDK NOTHDDST;
  IF POOL='1CANCEL ' THEN PRCCOSTS = DOLLAR*278183/290558 ;
  IF POOL='1DSPATCH' THEN PRCCOSTS = DOLLAR*205688/203329 ;
  IF POOL='1FLATPRP' THEN PRCCOSTS = DOLLAR*275458/253273 ;
  IF POOL='1MTRPREP' THEN PRCCOSTS = DOLLAR*31225 /30266 ;
  IF POOL='1OPBULK' THEN PRCCOSTS = DOLLAR*218895/199905 ;
  IF POOL='1OPPPREF ' THEN PRCCOSTS = DOLLAR*534377/477022 ;
  IF POOL='1OPTRANS' THEN PRCCOSTS = DOLLAR*122611/119122 ;
  IF POOL='1PLATFRM' THEN PRCCOSTS = DOLLAR*1212450/1220892 ;
  IF POOL='1POUCHNG' THEN PRCCOSTS = DOLLAR*133232/125838 ;
  IF POOL='1PRESORT' THEN PRCCOSTS = DOLLAR*7167 /39153;
  IF POOL='1SACKS_H ' THEN PRCCOSTS = DOLLAR*121111/119055 ;
  IF POOL='1SACKS_M ' THEN PRCCOSTS = DOLLAR*27907/26984 ;
  IF POOL='1SCAN ' THEN PRCCOSTS = DOLLAR*76551/87925 ;
  IF POOL='1TRAYSRT ' THEN PRCCOSTS = DOLLAR*134448/12423 ;
```

The allied cost pool numerators for the ratios are generated in the beginning data step in
M5ALLIED 'DATA CLASSES SP_EXMPT' which produces Table 1:

```
PROC FREQ DATA=CLASSES;
  TABLES POOL;
  WEIGHT PRCCOSTS;
  TITLE1 'TABLE 1 ' ;
  TITLE2 'POOL COSTS FOR CLASSES - EXCL SPEC.SERVICES & EXEMPT';
  TITLE3 'COSTS TO BE USED IN NUMERATORS OF PRC ADJ FACTORS(TABLE 10)';
  FOOTNOTE 'BY 04 - MODS1&2 OFFICES - PRC VERSION';
```

TABLE 1
POOL COSTS FOR CLASSES - EXCL SPEC.SERVICES & EXEMPT
COSTS TO BE USED IN NUMERATORS OF PRC ADJ FACTORS(TABLE 10)

POOL	The FREQ Procedure			
	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1CANCEL	278183	8.23	278183	8.23
1DSPATCH	205688	6.09	483871	14.32
1FLATPRP	275458	8.15	759329	22.47
1MTRPREP	31225.05	0.92	790554.1	23.39
1OPBULK	218894.9	6.48	1009449	29.87
1OPPPREF	534376.8	15.81	1543826	45.68
1OPTRANS	122610.9	3.63	1666437	49.31
1PLATFRM	1212450	35.88	2878887	85.19
1POUCHNG	133232	3.94	3012119	89.13
1PRESORT	7166.587	0.21	3019285	89.35
1SACKS_H	121110.9	3.58	3140396	92.93
1SACKS_M	27907.05	0.83	3168303	93.76

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1SCAN	76550.94	2.27	3244854	96.02
1TRAYSRT	134448.1	3.98	3379302	100.00

The allied cost pool denominators for the ratios are generated in M5ALLIED in the data step

'DATA ALLALLI' above the comment caption '-----adjust to cost pool \$ PRC

version-----' This data step produces Table 8:

```
PROC FREQ;
  TABLES POOL / MISSING;
  WEIGHT DOLLAR ;
  TITLE1 'TABLE 8. ';
  TITLE2 'ALLIED OPERATIONS - ALL DIRECT, MIXED, AND NOT HANDLING';
  TITLE3 'IOCS $ POOL TO BE USED FOR DENOMINATORS OF ADJ.FOR TABLE 10';
```

TABLE 8.
ALLIED OPERATIONS - ALL DIRECT, MIXED, AND NOT HANDLING
IOCS \$ POOL TO BE USED FOR DENOMINATORS OF ADJ.FOR TABLE 10

The FREQ Procedure

POOL	Cumulative		Cumulative	
	Frequency	Percent	Frequency	Percent
1CANCEL	290557.6	8.76	290557.6	8.76
1DSPATCH	203328.9	6.13	493886.4	14.89
1FLATPRP	253272.7	7.63	747159.2	22.52
1MTRPREP	30265.54	0.91	777424.7	23.43
1OPBULK	199904.6	6.03	977329.3	29.46
1OPPREF	477022.3	14.38	1454352	43.84
1OPTRANS	119122.3	3.59	1573474	47.43
1PLATFRM	1220892	36.80	2794366	84.23
1POUCHNG	125838.3	3.79	2920204	88.02
1PRESORT	39152.79	1.18	2959357	89.20
1SACKS_H	119054.7	3.59	3078411	92.79
1SACKS_M	26984.03	0.81	3105395	93.61
1SCAN	87925.14	2.65	3193321	96.26
1TRAYSRT	124230.3	3.74	3317551	100.00

For Program N5ALLIED, the ratios for each allied cost pool are hardcoded in the data step 'DATA ALLALLI1' as follows:

```
IF POOL='ALLIED' THEN VCOSTS= COSTS*672073/638080 ;
IF POOL='MISC' THEN VCOSTS= COSTS*205848/224793 ;
```

The allied cost pool numerators for the ratios are generated in N5ALLIED in the beginning data

'DATA CLASSES SP_EXMPT' which produces Table 1:

```
PROC FREQ DATA=CLASSES;
  TABLES POOL;
```

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```
WEIGHT VCONSTS;
TITLE1 'TABLE 1 ';
TITLE2 'POOL COSTS FOR CLASSES - EXCL SPEC.SERVICES & EXEMPT';
TITLE3 'COSTS TO BE USED IN NUMERATORS OF PRC ADJ FACTORS(TABLE 10)';
```

TABLE 1
POOL COSTS FOR CLASSES - EXCL. SPEC. SERVCS & EXEMPT
COSTS TO BE USED IN NUMERATORS OF PRC ADJ FACTORS(TABLE 10)

POOL	The FREQ Procedure			
	Frequency	Cumulative Percent	Cumulative Frequency	Percent
ALLIED	672072.8	76.55	672072.8	76.55
MISC	205848.3	23.45	877921.2	100.00

The allied cost pool denominators for the ratios are generated in N5ALLIED in the data step

'DATA ALLALLI1' which produces Table 9a:

```
PROC FREQ;
  TABLES POOL*SHAPETYP/NOROW NOCOL NOPERCENT MISSING;
  WEIGHT COSTS ;
TITLE1 'table 9a.';
TITLE2 'POOL COSTS TO BE USED IN THE DENOMINATORS OF TABLE 10';
```

table 9a.
POOL COSTS TO BE USED IN THE DENOMINATORS OF TABLE 10
The FREQ Procedure

Table of POOL by SHAPETYP

POOL	SHAPETYP			Total
Frequency	LETTER	FLAT	PARCEL	Total
ALLIED	343036	225691	69353	638080
MISC	168119	41129	15545	224793
Total	511155	266820	84897.8	862874

For Program B5ALLIED, , the ratios for each allied cost pool are hardcoded in the data step

'DATA ALLALLI1' as follows:

```
COSTS = DOLLAR*GFY;
IF POOL='PLA ' THEN PRCCOSTS=COSTS*199549/202351;
IF POOL='OTHR' THEN PRCCOSTS=COSTS*337135/338310;*DENOM FR table 9;
```

The allied cost pool numerators for the ratios are generated in B5ALLIED in the beginning data step 'DATA CLASSES SP_EXMPT' which produces Table 1:

```
PROC FREQ DATA=CLASSES;
  TABLES POOL;
  WEIGHT PRCCOSTS;
```

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TITLE1 'TABLE 1 ' ;
TITLE2 'POOL COSTS FOR CLASSES - EXCL SPEC.SERVICES & EXEMPT';
TITLE3 'COSTS TO BE USED IN NUMERATORS OF PRC ADJ FACTORS(TABLE 10)';

table 1:
POOL COSTS FOR CLASSES - EXCL. SPEC. SERVCS & EXEMPT
COSTS TO BE USED IN NUMERATORS OF PRC ADJ FACTORS(TABLE 10)
The FREQ Procedure

POOL	Frequency	Cumulative Percent	Cumulative Frequency	Percent
OTHR	337135.4	62.82	337135.4	62.82
PLA	199549.2	37.18	536684.6	100.00

The allied cost pool denominators for the ratios are generated in B5ALLIED in the data step
'DATA ALLALLI1' which produces Table 9a:

```
PROC FREQ;
  TABLES POOL;
  WEIGHT COSTS;
TITLE1 'TABLE 9a';
TITLE2 'TOTAL ALLIED POOL COSTS BY SHAPE - POOL $';
TITLE3 'EXCL. EXEMPT ACTV CODES & SPECIAL SRVCS ';
TITLE4 'TO BE USED AS DENOMINATORS IN TABLE 10 ';
```

TABLE 9a
TOTAL ALLIED POOL COSTS BY SHAPE - POOL \$
EXCL. EXEMPT ACTV CODES & SPECIAL SRVCS
TO BE USED AS DENOMINATORS IN TABLE 10

The FREQ Procedure

POOL	Frequency	Cumulative Percent	Cumulative Frequency	Percent
OTHR	338310.3	62.57	338310.3	62.57
PLA	202350.6	37.43	540660.9	100.00

2) Proportional Re-allocation of Clocking In and Out (Activity code '6522') and Standard Mail Mixed (Activity Code '5340') in program PREMITOT.

2.a) Proportional Re-allocation of Clocking In and Out to BMC and non-MODS Premium Costs.

Program PREMITOT estimates the percent of mail processing premium costs for non-BMC facilities out of the total C/S 3 premium costs. Clocking in and out (actv=6522) premium costs are included in the MODS mail processing pool premium costs. However, they need to be reallocated between the administrative and mail processing portions of the premium tallies for

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```
PROC FREQ;
  TABLES NIGHT SUNDAY;
  WEIGHT DOLLAR;
TITLE1 'tab 3 - BMCS MAIL PROCESSING PREMIUM COSTS';
TITLE2 'DO NOT INCLUDE ALLOCATED 6522 COSTS';
TITLE3 'cost pools include fixed costs      ';
```

tab 1 - BMCS ADMWIN NIGHT AND SUNDAY PREMIUM COSTS
INCLUDE TOTAL 6522 PREMIUM COSTS
The FREQ Procedure
Table of ACTV by NIGHT

	ACTV Frequency 1	NIGHT Total
	-----+	
OTHE	25576	25576
	-----+	
6522	6869.5	6869.5
	-----+	
Total	32445.4	32445.4

Table of ACTV by SUNDAY

	ACTV Frequency 1	SUNDAY Total
	-----+	
OTHE	2997.7	2997.7
	-----+	
6522	1507.7	1507.7
	-----+	
Total	4505.43	4505.43

tab 3 - BMCS MAIL PROCESSING PREMIUM COSTS
DO NOT INCLUDE ALLOCATED 6522 COSTS
cost pools include fixed costs

The FREQ Procedure

NIGHT	Frequency	Percent	Cumulative Frequency	Cumulative Percent

1	352464.5	100.00	352464.5	100.00
SUNDAY	Frequency	Percent	Cumulative Frequency	Cumulative Percent

1	50644.22	100.00	50644.22	100.00

The PERMITOT program codes in the following data steps generate Tab 2 and Tab 4 for the non-MODS:

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Data step `DATA NMODADW NMOD6522;`

```

PROC FREQ DATA=NMOD6522;
  TABLES ACTV*NIGHT ACTV*SUNDAY/NOROW NOCOL NOPERCENT;
  WEIGHT DOLLAR;
TITLE1 'tab 2 - NON-MODS ADMWIN NIGHT AND SUNDAY PREMIUM COSTS';
TITLE2 'INCLUDE TOTAL 6522 PREMIUM COSTS IDENTIFIED SEPARATELY';

```

Data step `DATA NMDDIR ;`.

```

PROC FREQ;
  TABLES NIGHT SUNDAY;
  WEIGHT DOLLAR;
TITLE1 'tab4 - NON-MODS MAIL PROCESSING PREMIUM COSTS';
TITLE2 'DO NOT INCLUDE ALLOCATED 6522 COSTS  ';
TITLE3 'COST POOLS INCLUDE FIXED COSTS  ';

```

tab 2 - NON-MODS ADMWIN NIGHT AND SUNDAY PREMIUM COSTS
INCLUDE TOTAL 6522 PREMIUM COSTS IDENTIFIED SEPARATELY

The FREQ Procedure
Table of ACTV by NIGHT

	ACTV	NIGHT
Frequency	1	Total
-----+-----+		
OTHE	43880	43880
-----+-----+		
6522	15871	15871
-----+-----+		
Total	59751.7	59751.7

Table of ACTV by SUNDAY

	ACTV	SUNDAY
Frequency	1	Total
-----+-----+		
OTHE	1499.8	1499.8
-----+-----+		
6522	0	0
-----+-----+		
Total	1499.79	1499.79

tab4 - NON-MODS MAIL PROCESSING PREMIUM COSTS
DO NOT INCLUDE ALLOCATED 6522 COSTS
COST POOLS INCLUDE FIXED COSTS

The FREQ Procedure

NIGHT	Frequency	Percent	Cumulative Frequency	Cumulative Percent

1	559708.5	100.00	559708.5	100.00

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SUNDAY	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	21180.73	100.00	21180.73	100.00

2.b) Proportional Re-allocation of activity code '5340' to the Premium distribution keys

The premium tallies for actv=5340 are redistributed proportionately to the 'enhanced carrier' and 'standard mail' Night Pay and Sunday Pay direct tallies by applying to those direct tallies hard-coded 'inflation' factors in the PERMITOT program codes following the comment caption

'*.....adjustment for actv=5340.....;' as follows:

```
*.....adjustment for actv=5340.....;
  IF ' 9'<=SUBSTR(DMM,1,2)<='13' AND NIGHT='1'
    AND PLATF = 'NON-PLA, NON-PREM'
    THEN DOLLAR= DOLLAR*(514360+25529+4814)/(514360+25529);
  IF ' 9'<=SUBSTR(DMM,1,2)<='13' AND NIGHT='1'
    AND SUBSTR(PLATF,1,8) = 'PLATFORM          '
    THEN DOLLAR= DOLLAR*( 13792+2344+72 )/(13792+2344);

*.....adjustment for actv=5340.....;
  IF ' 9'<=SUBSTR(DMM,1,2)<='13' AND SUNDAY='1'
    AND PLATF = 'NON-PLA, NON-PREM'
    THEN DOLLAR= DOLLAR*(52878+3733+138)/(52878+3733);
```

The inflation factors are ratios which consist of the direct tallies for 'enhanced carrier,' 'standard mail,' and actv=5340 in the numerator; and the same tallies but without those for actv=5340 in the denominator. The sources for these numbers can be found in Tables V-3C and V-3F generated as follows by the PERMITOT program codes under the comment caption

*.....derive premium distribution keys.....;

Data step 'DATA OUTX; SET S4;'

```
PROC FREQ FORMCHAR(1,2,7)='  ';
  TABLES MAIL*PLATF/ NOPERCENT NOROW ;
  WEIGHT DOLLAR;
  TITLE1 'TABLE V-3C: NIGHT PAY DISTRIBUTION KEYS - PRC VERSION ' ;
  TITLE2 'NON-BMC MAIL PROCESSING SUBCLASS VOLUME-VARIABLE COSTS' ;
  TITLE3 'BY PLATFORM AND NON-PLATFORM OPERATIONS' ;
  TITLE4 'SUBCLASSES ARE IDENTIFIED IN SEPARATE PREF & NON-PREF' ;
  TITLE5 'COLUMNS FOR NON-PLATFORM OPERATIONS' ;
  TITLE6 'BASED ON PREMIUM DIRECT TALLIES' ;
  TITLE7 'ACTV 5340 UNDISTRIBUTED' ;
```

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Data step `DATA OUTX; SET S5;`

```
PROC FREQ FORMCHAR(1,2,7)='  ';
  TABLES MAIL*PLATF / NOPERCENT NOROW ;
  WEIGHT DOLLAR;
TITLE1 'TABLE V-3F: SUNDAY PAY DISTRIBUTION KEYS - PRC VERSION ' ;
TITLE2 'NON-BMC MAIL PROCESSING SUBCLASS VOLUME-VARIABLE COSTS';
TITLE3 'BY PLATFORM AND NON-PLATFORM OPERATIONS';
TITLE4 'SUBCLASSES ARE IDENTIFIED IN SEPARATE PRC & NON-PRC';
TITLE5 'COLUMNS FOR NON-PLATFORM OPERATIONS';
TITLE6 'BASED ON PREMIUM DIRECT TALLIES';
TITLE7 'ACTV 5340 UNDISTRIBUTED';
```

These codes generate Tables V-3C and V-3F as follows:

TABLE V-3C: NIGHT PAY DISTRIBUTION KEYS - PRC VERSION
NON-BMC MAIL PROCESSING SUBCLASS VOLUME-VARIABLE COSTS
BY PLATFORM AND NON-PLATFORM OPERATIONS
SUBCLASSES ARE IDENTIFIED IN SEPARATE PRC & NON-PRC
COLUMNS FOR NON-PLATFORM OPERATIONS
BASED ON PREMIUM DIRECT TALLIES
ACTV 5340 UNDISTRIBUTED

The FREQ Procedure
Table of MAIL by PLATF

Col	Pct	NON-PLA	MAIL		PLATF	
			NON-PLA, PREM-544	PLATFORM NON-PREM	Frequency Total (660)	
1--LTRS SGL PC		1335301	0	22451	1357752	
			58.96	0.00	30.71	
2--LTRS PRESORT		347681	0	6041.4	353722	
			15.35	0.00	8.26	
3--CARDS SGL PC		57989	0	74.744	58064	
			2.56	0.00	0.10	
4--CARDS PRSORT		15796	0	147.2	15943	
			0.70	0.00	0.20	
5--PRIORITY		225044	0	10536	235580	
			9.94	0.00	14.41	
6--EXPRESS		22563	0	1436.3	23999	
			1.00	0.00	1.96	
8-1 IN COUNTY		2613.8	0	398.99	3012.8	
			0.12	0.00	0.55	
8-2 OUT COUNTY		179316	0	6519.9	185836	
			7.92	0.00	8.92	
10--(A) ENH.CARR		0	43293	2344.2	45637	
			0.00	7.03	3.21	
11--(A) REGULAR		0	514360	13792	528152	
			0.00	83.57	18.87	

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14--(B) PARCELS	0	25529	4073	29602
		0.00	4.15	5.57
15--(B) BD PRINT	0	13766	1317	15083
		0.00	2.24	1.80
16--(B) MEDIA ML	0	13719	959.93	14679
		0.00	2.23	1.31
18--USPS	33240	0	2373.9	35614
		1.47	0.00	3.25
19--FREE MAIL	2996.4	0	74.744	3071.1
		0.13	0.00	0.10
20--INTL MAIL	42300	0	489.1	42789
		1.87	0.00	0.67
5340	0	4814.4	72.46	4886.9
		0.00	0.78	0.10
Total	2264840	615481	73101.7	2953422

TABLE V-3F: SUNDAY PAY DISTRIBUTION KEYS - PRC VERSION
NON-BMC MAIL PROCESSING SUBCLASS VOLUME-VARIABLE COSTS
BY PLATFORM AND NON-PLATFORM OPERATIONS
SUBCLASSES ARE IDENTIFIED IN SEPARATE PREF & NON-PREF
COLUMNS FOR NON-PLATFORM OPERATIONS
BASED ON PREMIUM DIRECT TALLIES
ACTV 5340 UNDISTRIBUTED

The FREQ Procedure
Table of MAIL by PLATF

Col	Pct	NON-PLA	MAIL		PLATF	Frequency Total (655)
			NON-PLA, PREM-659	PLATFORM NON-PREM		
1--LTRS SGL PC	61161	0	463.86	61624		
		50.47	0.00	15.41		
2--LTRS PRESORT	23221	0	0	23221		
		19.16	0.00	0.00		
3--CARDS SGL PC	3324.5	0	0	3324.5		
		2.74	0.00	0.00		
4--CARDS PRSORT	724.03	0	0	724.03		
		0.60	0.00	0.00		
5--PRIORITY	7820.1	0	521.08	8341.2		
		6.45	0.00	17.31		
6--EXPRESS	728.65	0	0	728.65		
		0.60	0.00	0.00		
8-1 IN COUNTY	93.722	0	315.82	409.55		
		0.08	0.00	10.49		
8-2 OUT COUNTY	18208	0	216.63	18425		
		15.03	0.00	7.20		
10--(A) ENH.CARR	0	3733.1	637.21	4370.3		
		0.00	6.30	21.17		
11--(A) REGULAR	0	52878	699.4	53577		
		0.00	89.30	23.24		

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14--(B) PARCELS	0	1317.3	72.46	1389.8
		0.00	2.22	2.41
15--(B) BD PRINT	0	1056.5	0	1056.5
		0.00	1.78	0.00
16--(B) MEDIA ML	0	90.733	0	90.733
		0.00	0.15	0.00
18--USPS	1755.4	0	83.594	1839
		1.45	0.00	2.78
20--INTL MAIL	4141.4	0	0	4141.4
		3.42	0.00	0.00
5340	0	137.76	0	137.76
		0.00	0.23	0.00
Total	121178	59213	3010.06	183401

3) Adjustment for undistributed mixed mail items (Programs NONMOD12, NONMOD22)

Tallies for undistributed mixed mail items (i.e. those with no matching subclass distribution keys within a facility grouping) are re-allocated proportionately to all other distributed item subclasses within the undistributed mixed mail cost pool by applying hard-coded factors within that cost pool in the last data steps of programs NONMOD12 and NONMOD22. The hard-coded factors are pool-specific ratios that consist of all cost pool items which include the undistributed mixed mail items in the numerator, and exclude the undistributed mixed mail items in the denominator, as is shown below.

Program NONMOD12

```
*adjustment for sckoth;
  if pool='ALLIED' then dollar=dollar*20149/(20149-186);
  if pool='MANP  ' then dollar=dollar* 9514/( 9514-111);
  if pool='REGISTRY' then dollar=dollar* 2290/( 2290-902);
```

Program NONMOD22

```
dollar=dollar*63312/(63312-227);
```

The following 'proc freq' SAS codes can be added to Program NONMOD12 in the data step

'DATA ITEMPLF ITEM1;' to generate the hard-coded numbers:

```
proc freq data=item1;
  tables type*pool/norow nocol nopercnt;
  weight wgt;
  title1 'items to be filled - exclude containers in allied cost pool';
proc freq data=itemplf;
  tables type;
```

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```
weight wgt;
title 'items to be filled - only containers in allied cost pool';
footnote 'NonMODs Fy 04 PRC';
```

The 'proc freq' codes will produce the following tables:

Items to be filled - exclude containers in allied cost pool

Frequency	ALLIED	AUTO/MEC	MANF	MANL	MANP	MISC	REGISTRY	Total
BUNDLE	191.97	657.9	2916.6	436.89	502.73	292.06	0	4998.1
CONCON	87.906	104.34	288.64	151.47	0	0	103.94	736.3
OTHR_I	953.19	132.86	303.3	178.25	0	127.98	0	1695.6
PALLET	1419.4	148.86	295.97	0	175.36	0	0	2039.6
PC_CRD	0	0	0	65.5	0	39.4	0	104.9
PC_FLT	0	104.32	3263.3	210.49	79.057	290.11	36.857	3984.2
PC_IPP	0	0	99.323	9.8968	672.98	0	14.743	796.94
PC_LTR	0	274.91	533.31	931.15	0	654.95	36.857	2431.2
PC_PCL	0	53.241	268.56	339.37	5227.1	492.63	97.851	6478.7
SCKB_O	297.42	0	0	0	0	0	87.906	385.33
SCKBWN	814.68	0	152.08	0	0	0	0	966.76
SCKGRN	137.15	0	0	19.291	175.36	0	103.94	435.74
SCKO_Y	1443.9	0	0	0	325.77	0	0	1769.7
SCKOTH	186.34	0	0	0	111.08	0	901.73	1199.2
SCKWH1	858.92	0	0	0	799.68	0	96.165	1754.8
SCKWH2	1439.9	0	1228.2	762.09	247.75	0	380.65	4058.6
SCKWH3	1059.7	0	0	0	0	396.37	0	1456.1
TRAY_F	7275.8	1236	12935	1792.4	494.05	2332.3	126.43	26192
TRAY_L	3982.6	16174	675.86	14000	432.18	1782.8	302.79	37350
TRAY_P	0	0	190.72	73.714	270.57	239.63	0	774.63
Total	20149	18886	23151.1	18970.3	9513.66	6648.22	2289.86	99608.1

Items to be filled - only containers in allied cost pool.

TYPE	Frequency	Percent	Cumulative	Cumulative
			Frequency	Percent
BUNDLE	7331.782	11.58	7331.8	11.58
CONCON	4.808265	0.01	7336.6	11.59
OTHR_I	725.4833	1.15	8062.1	12.73
PALLET	185.6232	0.29	8247.7	13.03
PC_CRD	409.1263	0.65	8656.8	13.67
PC_FLT	4067.708	6.42	12725	20.1
PC_IPP	902.4422	1.43	13627	21.52
PC_LTR	8597.198	13.58	22224	35.1
PC_PCL	9239.266	14.59	31463	49.7
SCKB_O	396.8221	0.63	31860	50.32
SCKBWN	171.1013	0.27	32031	50.59
SCKGRN	534.2631	0.84	32566	51.44
SCKO_Y	700.0434	1.11	33266	52.54
SCKOTH	226.6885	0.36	33492	52.9

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SCKWH1	962.3721	1.52	34455	54.42
SCKWH2	354.6935	0.56	34809	54.98
SCKWH3	36.98365	0.06	34846	55.04
TRAY_F	15121.38	23.88	49968	78.92
TRAY_L	12546.61	19.82	62514	98.74
TRAY_P	797.3541	1.26	63312	100

4) Hard-Coded Data for MODS Cost Pools (DOLWGT)

DOLWGT contains hard-coded data for DOLLARS and IOCDOL as follows:

*..... Mail Processing Cost Pools - BY 04;

```

IF POOL = 'BCS/      ' THEN DO;V='11';
    space='902';
    dollars = 158403; iocdol = 150688; END;
IF POOL = 'BCS/DBCS' THEN DO;V='11';
    space='901';
    dollars = 1272441; iocdol = 1264499; END;
If POOL = 'OCR/      ' THEN DO;V='11';
    space='903';
    dollars = 211011; iocdol = 217357; END;
IF POOL = 'AFSM100 ' THEN DO;V='12';
    space='906';
    dollars = 546840; iocdol = 518355; END;
IF POOL = 'FSM/      ' THEN DO;V='12';
    space='904';
    dollars = 3520; iocdol = 7889; END;
IF POOL = 'FSM/1000' THEN DO;V='12';
    space='905';
    dollars = 230941; iocdol = 225263; END;
IF POOL = 'MPLSM    ' THEN DO;V='13';
    space='907';
    dollars = 0; iocdol = 129; END;
IF POOL = 'MECPARC  ' THEN DO;V='13';
    space='909';
    dollars = 7098; iocdol = 8576; END;
IF POOL = 'SPBS OTH' THEN DO;V='13';
    space='910';
    dollars = 427110; iocdol = 426323; END;
IF POOL = 'SPBSPRIO' THEN DO;V='13';
    space='910';
    dollars = 95150; iocdol = 98173; END;
IF POOL = '1SACKS_M' THEN DO;V='13';
    space='908';
    dollars = 30355; iocdol = 29339; END;
IF POOL = '1TRAYSRT' THEN DO;V='13';
    space='971';
    dollars = 139652; iocdol = 129018; END;
IF POOL = 'MANF      ' THEN DO;V='14';
    space='911';
    dollars = 246898; iocdol = 259436; END;

```

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```
IF POOL = 'MANL      ' THEN DO;V='14';
    space='912';
    dollars = 962846; iocdol = 969937; END;
IF POOL = 'MANP      ' THEN DO;V='14';
    space='913';
    dollars = 77846; iocdol = 77119; END;
IF POOL = 'PRIORITY' THEN DO;V='14';
    space='914';
    dollars = 232857; iocdol = 212848; END;
IF POOL = 'LD15      ' THEN DO;V='15';
    space='915';
    dollars = 178217; iocdol = 21229; END;
IF POOL = '1CANCEL  ' THEN DO;V='17';
    space='918';
    dollars = 299092; iocdol = 311602; END;
IF POOL = '1DSPATCH' THEN DO;V='17';
    space='973';
    dollars = 218321; iocdol = 215677; END;
IF POOL = '1FLATPRP' THEN DO;V='17';
    space='974';
    dollars = 282739; iocdol = 259967; END;

IF POOL = '1MTRPREP' THEN DO;V='17';
    space='918';
    dollars = 32263; iocdol = 31251; END;
IF POOL = '1OPBULK  ' THEN DO;V='17';
    space='921';
    dollars = 228247; iocdol = 208425; END;
IF POOL = '1OPREF   ' THEN DO;V='17';
    space='920';
    dollars = 562762; iocdol = 502158; END;
IF POOL = '1OPTRANS' THEN DO;V='17';
    space='  '; *dont need for space cost dist;
    dollars = 130816; iocdol = 126965; END;
IF POOL = '1PLATFRM' THEN DO;V='17';
    space='922';
    dollars = 1351900; iocdol = 1360394; END;
IF POOL = '1POUCHNG' THEN DO;V='17';
    space='923';
    dollars = 138268; iocdol = 130587; END;
IF POOL = '1PRESORT' THEN DO;V='17';
    space='917';
    dollars = 12669; iocdol = 69166; END;
IF POOL = '1SACKS_H' THEN DO;V='17';
    space='919';
    dollars = 128372; iocdol = 126175; END;
if POOL = '1SCAN    ' THEN DO;V='17';
    space='916';
    dollars = 83753; iocdol = 96165; END;
IF POOL = '1SWYB    ' THEN DO;V='17';
    space='972'; * merged with scan in 2004;
    dollars = 0; iocdol = 0.1; END;
IF POOL = 'BUSREPLY' THEN DO;V='18';
    space='924';
    dollars = 36101; iocdol = 44343; END;
IF POOL = 'EXPRESS  ' THEN DO;V='18';
    space='928';
```

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```
dollars = 100914; iocdol = 105077; END;
IF POOL = 'MAILGRAM' THEN DO;V='18';
  space='  ';
  dollars = 3520; iocdol = 3626; END;
IF POOL = 'REGISTRY' THEN DO;V='18';
  space='930';
  dollars = 151234; iocdol = 177918; END;
IF POOL = 'REWRAP ' THEN DO;V='18';
  space='925';
  dollars = 22223; iocdol = 24676; END;
IF POOL = '1EEQMT ' THEN DO;V='18';
  space='926';
  dollars = 30848; iocdol = 31210; END;
IF POOL = '1MISC ' THEN DO;V='18';
  space='929';
  dollars = 231961; iocdol = 227345; END;
IF POOL = '1SUPPORT' THEN DO;V='18';
  space='929';
  dollars = 277680; iocdol = 280376; END;
IF POOL = 'INTL ISC' THEN DO;V='19';
  space='931';
  dollars = 165161; iocdol = 171531; END;
IF POOL = 'PMPC ' THEN DO;V='19';
  space='927';
  dollars = 137898; iocdol = 168242; END;
IF POOL = 'LD41 ' THEN DO;V='41';
  space='932';
  dollars = 23465; iocdol = 33178; END;
IF POOL = 'LD42 ' THEN DO;V='42';
  space='933';
  dollars = 435; iocdol = 3429; END;
IF POOL = 'LD43 ' THEN DO;V='43';
  space='934';
  dollars = 684154; iocdol = 725113; END;
IF POOL = 'LD44 ' THEN DO;V='44';
  space='934';
  dollars = 156310; iocdol = 181307; END;
IF POOL = 'LD48 EXP' THEN DO;V='48';
  space='935';
  dollars = 11267; iocdol = 16407; END;
IF POOL = 'LD48 OTH' THEN DO;V='48';
  space='936';
  dollars = 183954; iocdol = 236540; END;
IF POOL = 'LD48_ADM' THEN DO;V='48';
  space='936';
  dollars = 308946; iocdol = 187497; END;
IF POOL = 'LD48_SSV' THEN DO;V='48';
  space='937';
  dollars = 84702; iocdol = 99433; END;
IF POOL = 'LD49 ' THEN DO;V='49';
  space='938';
  dollars = 293973; iocdol = 348710; END;
IF POOL = 'LD79 ' THEN DO;V='79';
  space='939';
  dollars = 184307; iocdol = 139938; END;
```

```
factor = dollars/iocdol;
```

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```
*.....Administrative and window Services - FY 04 .....;

IF substr(POOL,1,4) = '2ADM' THEN DO;
    funccost = 445323; iocdol = 509885 ; END;
IF substr(POOL,1,4) = '2WIN' THEN DO;
    funccost = 843399; iocdol = 911080; END;
IF pool = '2ADM INQ' THEN DO;
    funccost = 16662 ; iocdol = 9933 ; END;
IF pool = '2ADM ISC' THEN DO;
    funccost = 7850 ; iocdol = 11402 ; END;
IF pool = '2ADM PMP' THEN DO;
    funccost = 2227 ; iocdol = 4962 ; END;
IF pool = '2ADM_OUT' THEN DO;
    funccost = 0 ; iocdol = 81770 ; END;
```

The following 'proc freq' SAS codes can be added to Program 'MOD1POOL' in the data step 'DATA OUT1.MODS;' to generate the hard-coded numbers for 'IOCDOL':

```
PROC FREQ data=out1.mods;
  TABLES COSTPOOL;
  WEIGHT WGT;
  TITLE1 'COST POOLS - IOCS $';
```

The table obtained from the above 'proc freq' is listed below

COST POOLS - IOCS \$
The FREQ Procedure

COSTPOOL	Cumulative		Cumulative	
	Frequency	Percent	Frequency	Percent
2ADM	509884.9	3.99	509884.9	3.99
2ADM INQ	9933.151	0.08	519818	4.06
2ADM ISC	11401.77	0.09	531219.8	4.15
2ADM PMP	4962.265	0.04	536182	4.19
2ADM_OUT	81769.57	0.64	617951.6	4.83
11 BCS/	150687.9	1.18	768639.5	6.01
11 BCS/DBCS	1264499	9.89	2033138	15.90
11 OCR/	217356.7	1.70	2250495	17.60
12 AFSM100	518354.7	4.05	2768850	21.65
12 FSM/	7888.914	0.06	2776739	21.71
12 FSM/1000	225263.5	1.76	3002002	23.47
13 MECPARC	8575.733	0.07	3010578	23.54
13 MPLSM	128.9266	0.00	3010707	23.54
13 SPBS OTH	426323	3.33	3437030	26.87
13 SPBSPRIO	98172.87	0.77	3535203	27.64
13 1SACKS_M	29338.99	0.23	3564542	27.87
13 1TRAYSRT	129017.9	1.01	3693560	28.88
14 MANF	259435.8	2.03	3952995	30.91
14 MANL	969937.3	7.58	4922933	38.49
14 MANP	77119.04	0.60	5000052	39.09
14 PRIORITY	212848	1.66	5212900	40.76
15 LD15	21229.17	0.17	5234129	40.92

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17	1CANCEL	311602.1	2.44	5545731	43.36
17	1DSPATCH	215677.2	1.69	5761408	45.05
17	1FLATPRP	259967.3	2.03	6021375	47.08
17	1MTRPREP	31250.84	0.24	6052626	47.32
17	1OPBULK	208424.8	1.63	6261051	48.95
17	1OPPREF	502158.1	3.93	6763209	52.88
17	1OPTRANS	126964.9	0.99	6890174	53.87
17	1PLATFRM	1360394	10.64	8250568	64.51
17	1POUCHNG	130586.7	1.02	8381155	65.53
17	1PRESORT	69166.13	0.54	8450321	66.07
17	1SACKS_H	126175	0.99	8576496	67.06
17	1SCAN	96164.56	0.75	8672660	67.81
18	BUSREPLY	44342.61	0.35	8717003	68.16
18	EXPRESS	105076.9	0.82	8822080	68.98
18	MAILGRAM	3625.743	0.03	8825706	69.01
18	REGISTRY	177918.5	1.39	9003624	70.40
18	REWRAP	24676.03	0.19	9028300	70.59
18	1EEQMT	31210.41	0.24	9059511	70.83
18	1MISC	227345.5	1.78	9286856	72.61
18	1SUPPORT	280375.8	2.19	9567232	74.80
19	INTL ISC	171531.3	1.34	9738763	76.15
19	PMPC	168241.7	1.32	9907005	77.46
41	LD41	33178.5	0.26	9940184	77.72
42	LD42	3429.255	0.03	9943613	77.75
43	LD43	725113.3	5.67	10668726	83.42
44	LD44	181307.3	1.42	10850033	84.83
45	2WINDOW	911079.9	7.12	11761113	91.96
48	LD48 EXP	16407	0.13	11777520	92.09
48	LD48 OTH	236540.5	1.85	12014061	93.94
48	LD48_ADM	187496.5	1.47	12201557	95.40
48	LD48_SSV	99433.27	0.78	12300991	96.18
49	LD49	348710.2	2.73	12649701	98.91
79	LD79	139937.9	1.09	12789639	100.00

The values for the cost pool DOLLARS in the PRC version of DOLWGT are the same as those for the USPS version of DOLWGT (see Part I of LR-K-55, Tables I-2, I-2i, I-2A and I-2B), except for the individual cost pools in LDC 48.

The tables listed below provides information on the individual LDC 48 cost pools corresponding to Tables I-2, I-2A and I-2B which serve as inputs into DOLLARS.

Table I-2

----- ldc=48-CS/Op- Misc/Ins,COD -----			
pool	amtjvadj	LDCpct	poolcost
LD48 EXP	588,869,311	0.019134702	11,267,839
LD48 OTH	588,869,311	0.312384439	183,953,609
LD48_ADM	588,869,311	0.524642551	308,945,898
LD48_SSV	588,869,311	0.143838308	84,701,965

Table I-2A

ldc	pool	poolhrs	ldchrs	LDCpct
-----	------	---------	--------	--------

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO POIR NO. 7, QUESTION 7 (PART 1)

48-CS/Op- Misc/Ins,COD	LD48 EXP	50,767	2,653,133	0.019134702
48-CS/Op- Misc/Ins,COD	LD48 OTH	28,797	2,653,133	0.312384439
48-CS/Op- Misc/Ins,COD	LD48_ADM	1,391,946	2,653,133	0.524642551
48-CS/Op- Misc/Ins,COD	LD48_SSV	381,622	2,653,133	0.143838308

Table I-2B

----- ldc=48 pool=LD48 EXP -----

mod	modname	modhrs
583	EXPRESS MAIL - CUSTOMER SERVICE	50766.91

----- ldc=48 pool=LD48 OTH -----

mod	modname	modhrs
065	SCANNING OPERATIONS	4986.19
741	MISC ACTIVITY - DELIVERY SERVICES	91124.65
742	MISC ACTIVITY - CUSTOMER SERVICES	552628.09
794	MISC MARKUP ACTIV - STATION/BRANCH	180058.53
----		-----
pool		828797.46

----- ldc=48 pool=LD48_ADM -----

mod	modname	modhrs
353	STANDBY-CUSTOMER SERVICES	6529.27
558	OFFICE WORK & RECORDS-CUST SVCS	659720.38
559	OFFICE WORK & RECORDS-DELIVERY SVCS	119627.74
608	STEWARDS - CLERKS - CUSTOMER SRVC	23807.79
621	TRAVEL-CUSTOMER SERVICES	26275.54
631	MEETING TIME - CUSTOMER SERVICES	2638.75
678	ADMIN & CLERICAL-AREA STATIONS	41117.82
756	TACS FUNCTION 2/4 OPERATION DEFAULT	512229.17
----		-----
pool		1391946.46

----- ldc=48 pool=LD48_SSV -----

mod	modname	modhrs
542	INSURED - COD - CUSTOMS	7757.76
543	INSURED - COD - CUSTOMS	9787.39
544	CAGES SERVING CARRIERS/SPC DELIVERY	364077.01
----		-----
pool		381622.16
ldc		2653132.99

RESPONSE OF POSTAL SERVICE WITNESS VAN-TY-SMITH
TO POIR NO. 7, QUESTION 7 (PART 2)

7. A number of the SAS programs filed in LR-K-100 and LR-K-55 contain hardcoded figures such as those listed in the SAS program 'm5allied' in LR-K-100. Please identify the source of all hard-coded numbers used in LR-K-100 and LR-K-55.

RESPONSE.

(Question 7—Part 2) Hard-coded numbers used in LR-K-55 can be categorized into three groups as follows (in most of these cases, the tables were not shown in the library reference because the hard-coded numbers are the same numbers that would have shown up in the tables):

- 1) Hard-Coded Data for MODS Cost Pools (DOLWGT).
Note: The sources for the hard-coded numbers for DOLWGTM and DOLWGTBM are in Part I of LR-K-55.
- 2) Adjustment for undistributed mixed mail items in the INTL ISC and PMPC Cost Pools (Programs MOD2ITEM, MOD3CONT)
- 3) Proportional Re-allocation of Clocking In and Out (Activity code '6522') and Activity Code '5340' in program PREMITOT.

1) Hard-Coded Data for MODS Cost Pools (DOLWGT)

DOLWGT contains hard-coded data for DOLLARS and IOCDOL as follows:

```
*..... Mail Processing Cost Pools - BY 04 USPS.....;
      IF POOL = 'BCS/      ' THEN DO;V='11'; *econometric;
          space='902';
          dollars = 158403; iocdol = 154290; VARB= .90 ; END;
      IF POOL = 'BCS/DBCS' THEN DO;V='11'; *econometric;
          space='901';
          dollars = 1272441; iocdol = 1266814; VARB= .85 ; END;
      If POOL = 'OCR/      ' THEN DO;V='11'; *econometric;
          space='903';
          dollars = 211011; iocdol = 217769; VARB= .78 ; END;
      IF POOL = 'AFSM100 ' THEN DO;V='12'; *econometric;
          space='906';
          dollars = 546840; iocdol = 519843; VARB=1.00 ; END;
      IF POOL = 'FSM/      ' THEN DO;V='12'; *econometric;
          space='904';
          dollars = 3520; iocdol = 7889; VARB=1.00 ; END;
      IF POOL = 'FSM/1000' THEN DO;V='12'; *econometric;
          space='905';
          dollars = 230941; iocdol = 226034; VARB= .73 ; END;
      IF POOL = 'MPLSM  ' THEN DO;V='13'; *econometric;
          space='907';
```

RESPONSE OF POSTAL SERVICE WITNESS VAN-TY-SMITH
TO POIR NO. 7, QUESTION 7 (PART 2)

```
dollars = 0; iocdol = 129; VARB= .90 ; END;
IF POOL = 'MECPARC ' THEN DO;V='13';
space='909';
dollars = 7098; iocdol = 8634; VARB= .83 ; END;
IF POOL = 'SPBS OTH' THEN DO;V='13'; *econometric;
space='910';
dollars = 427110; iocdol = 427769; VARB= .77 ; END;
IF POOL = 'SPBSPRIO' THEN DO;V='13'; *econometric;
space='910';
dollars = 95150; iocdol = 98173; VARB= .77 ; END;
IF POOL = '1SACKS_M' THEN DO;V='13';
space='908';
dollars = 30355; iocdol = 29414; VARB= .83 ; END;
IF POOL = '1TRAYSRT' THEN DO;V='13';
space='971';
dollars = 139652; iocdol = 129018; VARB= .83 ; END;
IF POOL = 'MANF ' THEN DO;V='14'; *econometric;
space='911';
dollars = 246898; iocdol = 259892; VARB= .90 ; END;
IF POOL = 'MANL ' THEN DO;V='14'; *econometric;
space='912';
dollars = 962846; iocdol = 971377; VARB= .87 ; END;
IF POOL = 'MANP ' THEN DO;V='14'; *econometric;
space='913';
dollars = 77846; iocdol = 77520; VARB= .78 ; END;
IF POOL = 'PRIORITY' THEN DO;V='14'; *econometric;
space='914';
dollars = 232857; iocdol = 212848; VARB= .76 ; END;
IF POOL = 'LD15 ' THEN DO;V='15'; *econometric;
space='915';
dollars = 178217; iocdol = 21229; VARB=1.00 ; END;
IF POOL = '1CANCEL ' THEN DO;V='17'; *econometric;
space='918';
dollars = 299092; iocdol = 312576; VARB= .46 ; END;
IF POOL = '1DSPATCH' THEN DO;V='17';
space='973';
dollars = 218321; iocdol = 215677; VARB= .83 ; END;
IF POOL = '1FLATPRP' THEN DO;V='17';
space='974';
dollars = 282739; iocdol = 259967; VARB= .83 ; END;
IF POOL = '1MTRPREP' THEN DO;V='17'; *econometric;
space='918';
dollars = 32263; iocdol = 31251; VARB= .83 ; END;
IF POOL = '1OPBULK ' THEN DO;V='17';
space='921';
dollars = 228247; iocdol = 208425; VARB= .83 ; END;
IF POOL = '1OPPREF ' THEN DO;V='17';
space='920';
dollars = 562762; iocdol = 502894; VARB= .83 ; END;
IF POOL = '1OPTRANS' THEN DO;V='17';
space=' '; *dont need for space cost dist;
dollars = 130816; iocdol = 127121; VARB= .83 ; END;
IF POOL = '1PLATFRM' THEN DO;V='17';
space='922';
dollars = 1351900; iocdol = 1362377; VARB= .83 ; END;
IF POOL = '1POUCHNG' THEN DO;V='17';
space='923';
```

RESPONSE OF POSTAL SERVICE WITNESS VAN-TY-SMITH
TO POIR NO. 7, QUESTION 7 (PART 2)

```
dollars = 138268; iocdol = 130739; VARB= .83 ; END;
IF POOL = '1PRESORT' THEN DO;V='17';
    space='917';
    dollars = 12669; iocdol = 69568; VARB= .83 ; END;
IF POOL = '1SACKS_H' THEN DO;V='17';
    space='919';
    dollars = 128372; iocdol = 126251; VARB= .83 ; END;
if POOL = '1SCAN ' THEN DO;V='17';
    space='916';
    dollars = 83753; iocdol = 96165; VARB= .83 ; END;
IF POOL = '1SWYB ' THEN DO;V='17';
    space='972'; *was 923 before;*merged with scan in 2004;
    dollars = 0; iocdol = 0.1;VARB= .83 ; END;
IF POOL = 'BUSREPLY' THEN DO;V='18';
    space='924';
    dollars = 36101; iocdol = 44504; VARB= .83 ; END;
IF POOL = 'EXPRESS ' THEN DO;V='18';
    space='928';
    dollars = 100914; iocdol = 105452; VARB= .83 ; END;
IF POOL = 'MAILGRAM' THEN DO;V='18';
    space=' ';
    dollars = 3520; iocdol = 3626; VARB= .83 ; END;
IF POOL = 'REGISTRY' THEN DO;V='18';
    space='930';
    dollars = 151234; iocdol = 177991; VARB= .42 ; END;
IF POOL = 'REWRAP ' THEN DO;V='18';
    space='925';
    dollars = 22223; iocdol = 24676; VARB= .83 ; END;
IF POOL = '1EEQMT ' THEN DO;V='18';
    space='926';
    dollars = 30848; iocdol = 31285; VARB= .83 ; END;
IF POOL = '1MISC ' THEN DO;V='18';
    space='929';
    dollars = 231961; iocdol = 229948; VARB= .83 ; END;
IF POOL = '1SUPPORT' THEN DO;V='18';
    space='929';
    dollars = 277680; iocdol = 280926; VARB= .83 ; END;
IF POOL = 'INTL ISC' THEN DO;V='19';
    space='931';
    dollars = 165161; iocdol = 171903; VARB= .83 ; END;
IF POOL = 'PMPC ' THEN DO;V='19';
    space='927';
    dollars = 137898; iocdol = 169361; VARB= .83 ; END;
IF POOL = 'LD41 ' THEN DO;V='41';
    space='932';
    dollars = 23465; iocdol = 33706; VARB= .83 ; END;
IF POOL = 'LD42 ' THEN DO;V='42';
    space='933';
    dollars = 435; iocdol = 3673; VARB= .83 ; END;
IF POOL = 'LD43 ' THEN DO;V='43';
    space='934';
    dollars = 684154; iocdol = 732585; VARB= .83 ; END;
IF POOL = 'LD44 ' THEN DO;V='44';
    space='934';
    dollars = 156310; iocdol = 181499; VARB= .83 ; END;
IF substr(POOL,1,4) = 'LD48' THEN DO;V='48';
    space='935';
```

RESPONSE OF POSTAL SERVICE WITNESS VAN-TY-SMITH
TO POIR NO. 7, QUESTION 7 (PART 2)

```

dollars = 588869; iocdol = 548493; VARB= .83 ; END;
IF POOL = 'LD49 ' THEN DO;V='49';
space='938';
dollars = 293973; iocdol = 350194; VARB= .83 ; END;
IF POOL = 'LD79 ' THEN DO;V='79';
space='939';
dollars = 184307; iocdol = 139938; VARB= .83 ; END;

*.....Administrative and window Services - BY 04 .....;

IF substr(POOL,1,4) = '2ADM' THEN DO;
dollars = 445323; iocdol = 549463 ; END;
IF substr(POOL,1,4) = '2WIN' THEN DO;
dollars = 843399; iocdol = 913585; END;
IF pool = '2ADM INQ' THEN DO;
dollars = 16662 ; iocdol = 10309 ; END;
IF pool = '2ADM ISC' THEN DO;
dollars = 7850 ; iocdol = 11030 ; END;
IF pool = '2ADM PMP' THEN DO;
dollars = 2227 ; iocdol = 3843 ; END;

factor = dollars/iocdol;

```

The sources for the DOLLARS come from Part I of LR-K-55, Tables I-2, I-2i, I-2C, and I-2Ci.

The following 'proc freq' SAS codes can be added to Program 'MOD1POOL' in the data step 'DATA OUT1.MODS;' to generate the hard-coded numbers for 'IOCDOL':

```

PROC FREQ data=out1.mods;
TABLES COSTPOOL;
WEIGHT WGT;
TITLE1 'COST POOLS - IOCS $';

```

The table obtained from the above 'proc freq' is listed below.

COST POOLS - IOCS \$

The FREQ Procedure

COSTPOOL	Frequency	Percent	Cumulative Frequency	Cumulative Percent
2ADM	549462.6	4.87	549462.6	4.87
2ADM INQ	10309.24	0.09	559771.9	4.96
2ADM ISC	11030.38	0.10	570802.2	5.06
2ADM PMP	3843.271	0.03	574645.5	5.09
11 BCS/	154289.6	1.37	728935.1	6.46
11 BCS/DBCS	1266814	11.22	1995749	17.68
11 OCR/	217769.4	1.93	2213519	19.61
12 AFSM100	519842.7	4.60	2733361	24.21
12 FSM/	7888.914	0.07	2741250	24.28
12 FSM/1000	226033.5	2.00	2967284	26.28
13 MECPARC	8633.99	0.08	2975918	26.36
13 MPLSM	128.9266	0.00	2976047	26.36

RESPONSE OF POSTAL SERVICE WITNESS VAN-TY-SMITH
TO POIR NO. 7, QUESTION 7 (PART 2)

13	SPBS OTH	427768.9	3.79	3403816	30.15
13	SPBSPRIO	98172.87	0.87	3501988	31.02
13	1SACKS_M	29414.21	0.26	3531403	31.28
13	1TRAYSRT	129017.9	1.14	3660421	32.42
14	MANF	259891.7	2.30	3920312	34.72
14	MANL	971376.9	8.60	4891689	43.33
14	MANP	77520.37	0.69	4969209	44.02
14	PRIORITY	212848	1.89	5182057	45.90
15	LD15	21229.17	0.19	5203287	46.09
17	1CANCEL	312575.7	2.77	5515862	48.86
17	1DSPATCH	215677.2	1.91	5731539	50.77
17	1FLATPRP	259967.3	2.30	5991507	53.07
17	1MTRPREP	31250.84	0.28	6022758	53.35
17	1OPBULK	208424.8	1.85	6231182	55.19
17	1OPPREF	502893.9	4.45	6734076	59.65
17	1OPTRANS	127121.1	1.13	6861197	60.77
17	1PLATFRM	1362377	12.07	8223574	72.84
17	1POUCHNG	130739.2	1.16	8354313	74.00
17	1PRESORT	69568.18	0.62	8423881	74.62
17	1SACKS_H	126250.9	1.12	8550132	75.73
17	1SCAN	96164.56	0.85	8646297	76.59
18	BUSREPLY	44503.96	0.39	8690801	76.98
18	EXPRESS	105452.3	0.93	8796253	77.91
18	MAILGRAM	3625.743	0.03	8799879	77.95
18	REGISTRY	177990.6	1.58	8977869	79.52
18	REWRAP	24676.03	0.22	9002545	79.74
18	1EEQMT	31284.65	0.28	9033830	80.02
18	1MISC	229947.7	2.04	9263778	82.06
18	1SUPPORT	280925.5	2.49	9544703	84.54
19	INTL ISC	171902.7	1.52	9716606	86.07
19	PMPC	169360.7	1.50	9885967	87.57
45	2WINDOW	913584.5	8.09	10799551	95.66
49	LD49	350193.5	3.10	11149745	98.76
79	LD79	139937.9	1.24	11289683	100.00

2) Adjustment for undistributed mixed mail items in the INTL ISC and PMPC Cost Pools (Programs MOD2ITEM, MOD3CONT)

Tallies for undistributed mixed mail items or containers for each of the INTL ISC and PMPC cost pools are re-allocated proportionately to all other distributed item or container subclasses within the cost pool by applying hard-coded factors in the last data step of program MOD2ITEM or program MOD3CONT. The hard-coded factors are pool-specific ratios that consist of all cost pool items which include the undistributed mixed mail items or containers in the numerator, and exclude the undistributed mixed mail items or containers in the denominator, as shown below.

Program MOD2ITEM

```
* pool adjusment for undistributed items;
  IF POOL='INTL ISC' THEN DOLLAR= DOLLAR *29460.5/28838;
```

RESPONSE OF POSTAL SERVICE WITNESS VAN-TY-SMITH
TO POIR NO. 7, QUESTION 7 (PART 2)

IF POOL='PMPC ' THEN DOLLAR= DOLLAR *16223 /16027;

Program MOD3CONT

* pool adjustment for undistributed items;
if pool='PMPC ' then dollar= dollar *20537/20118;

The sources for the hard-coded numbers in Program MOD2ITEM come from the tables shown below. The numerator is the total in the 'items to be distr' column. The denominator is the total excluding the item types with no distribution keys (i.e. where the line number in the 'items to be distr' column is positive but shows a '0' in the 'direct dk' column).

Checking for Items Undistributed Within Cost Pool
INTL ISC and PMPC Cost Pools - re MOD2ITEM

----- POOL=INTL ISC -----

The FREQ Procedure
Table of TYPE by cat

TYPE	cat		
Frequency	direct dk	items to be distr	Total
BUNDLE	2163	125.34	2288.3
CONCON	22.262	179.1	201.36
OTHR_I	14.011	154.08	168.09
PALLET	35.594	97.243	132.84
PC_CRD	546	0	546
PC_FLT	7069.3	363.38	7432.7
PC_IPP	1786.3	1074.1	2860.5
PC_LTR	11711	113.02	11824
PC_PCL	12753	1731.2	14485
SCKB_O	452.38	2303.7	2756.1
SCKBWN	0	65.874	65.874
SCKGRN	20.757	273.01	293.77
SCKINT	5202.4	8943.5	14146
SCKO_Y	938.93	5242.9	6181.8
SCKOTH	139	452.18	591.18
SCKWH1	44.253	171.9	216.16
SCKWH2	21.017	23.148	44.165
SCKWH3	21.017	0	21.017
TRAY_F	1482.3	3321.1	4803.4
TRAY_L	3413.3	4269.3	7682.7
TRAY_P	0	556.33	556.33
Total	47836.5	29460.5	77297

Checking for Items Undistributed Within Cost Pool
INTL ISC and PMPC Cost Pools - re MOD2ITEM

RESPONSE OF POSTAL SERVICE WITNESS VAN-TY-SMITH
TO POIR NO. 7, QUESTION 7 (PART 2)

----- POOL=PMPC -----

The FREQ Procedure
Table of TYPE by cat

TYPE	cat		Total
Frequency	direct dk	items to be distr	
BUNDLE	381.72	21.434	403.16
OTHR_I	63.525	481.2	544.72
PALLET	308.73	385.15	693.88
PC_CRD	61.769	0	61.769
PC_FLT	7203.2	174.77	7378
PC_IPP	3663	88.559	3751.6
PC_LTR	448.77	7.7233	456.49
PC_PCL	21108	5651.1	26759
SCKB_O	62.886	392.92	455.81
SCKGRN	0	42.969	42.969
SCKINT	58.635	0	58.635
SCKO_Y	5556.2	6592.4	12149
SCKOTH	0	106.49	106.49
SCKWH2	0	46.34	46.34
TRAY_F	1063.4	1769.9	2833.3
TRAY_L	661.11	420.83	1081.9
TRAY_P	60.319	40.757	101.08
Total	40701	16222.5	56923.5

The sources for the hard-coded numbers in Program MOD3CONT come from the tables shown below. The numerator is the total in the 'Cntnr to be distr' column. The denominator is the total excluding the containers with no distribution key (i.e. where the line number in the 'Cntnr to be dist' is positive but shows '0' in both the 'direct dk' and the 'identif con dk' columns). The tables show that no adjustment is needed for the INTL ISC cost pool, only for the PMPC cost pool.

Checking for Containers Undistributed Within Cost Pool
INTL ISC and PMPC Cost Pools - re MOD3CONT

----- POOL=INTL ISC -----

The FREQ Procedure
Table of HANDLING by cat

HANDLING	cat		Total
Frequency	direct dk	identif cont dk	Cntnr to be dist

RESPONSE OF POSTAL SERVICE WITNESS VAN-TY-SMITH
TO POIR NO. 7, QUESTION 7 (PART 2)

BMC-OTR	66.578	928.5	1169.7	2164.8
ERMC	0	2079	733.32	2812.3
FLATCART	0	83.949	38.966	122.91
GPC/APC/	88.439	11527	4476.6	16092
HAMPER	22.488	2678.4	1953.1	4654
NOTIN CN	21.866	66.167	22.262	110.29
NUT.TRCK	0	1451	537.18	1988.2
PALLTBXO	0	94.037	212.2	306.24
PALLTBXU	0	126.05	75.732	201.78
U-CART	0	43.732	122.08	165.82
WIRETAIN	0	295.4	508.53	803.93
Z-OTH CN	0	426.52	711.96	1138.5
Total	199.37	19800.2	10561.6	30561.2

Checking for Containers Undistributed Within Cost Pool
INTL ISC and PMPC Cost Pools - re MOD3CONT

----- POOL=PMPC -----

The FREQ Procedure
Table of HANDLING by cat

HANDLING	cat		Cntnr to be dist	Total
	Frequency direct dk	identif cont dk		
BMC-OTR	86.625	1649.2	1075.6	2811.3
ERMC	144.48	5259.7	12246	17650
FLATCART	0	0	46.34	46.34
GPC/APC/	63.191	2203.8	1777.2	4044.1
HAMPER	0	960.32	1636.9	2597.2
NOTIN CN	46.34	61.769	0	108.11
NUT.TRCK	0	61.241	0	61.241
PALLTBXO	0	736.58	2033.7	2770.3
PALLTBXU	0	287.24	613.76	900.99
U-CART	0	0	61.241	61.241
WIRETAIN	0	0	311.66	311.66
Z-OTH CN	0	533.26	734.59	1267.8
Total	340.638	11753	20536.8	32630.4

The following SAS program codes can be added at the end of program MOD1IDR to obtain the above tables:

```
data items;
  set out1.itempc;
  if pool='INTL ISC' or pool='PMPC';
  cat='items tobe distr';
data cont1;
  set out1.itempc;
  if pool='INTL ISC' or pool='PMPC';
  cat='identif cont dk';
```

RESPONSE OF POSTAL SERVICE WITNESS VAN-TY-SMITH
TO POIR NO. 7, QUESTION 7 (PART 2)

```
data cont ;
  set out1.contemp;
  if pool='INTL ISC' or pool='PMPC';
  cat='Cntnr tobe distr';
data modkey;
  set out1.modkey ;
  if pool='INTL ISC' or pool='PMPC';
  cat=' direct dk      ';
  wgt=key;
data itemchk;
  set items modkey;

  proc sort;
  by pool;
  proc freq formchar(1,2,7)='  ';
  by pool;
  tables type*cat/norow nocol nopercnt;
  weight wgt;
  title1 'Checking for Items Undistributed Within Cost Pool';
  title2 'INTL ISC and PMPC Cost Pools - re MOD2ITEM';
data contchk;
  set cont1 cont modkey;
  if 'A'<=f9219<='L';
  proc sort;
  by pool;
  proc freq formchar(1,2,7)='  ';
  by pool;
  tables handling*cat/norow nocol nopercnt;
  weight wgt;
  title1 'Checking for Containers Undistributed Within Cost Pool';
  title2 'INTL ISC and PMPC Cost Pools - re MOD3CONT';
```

3) Proportional Re-allocation of Clocking In and Out (Activity code '6522') and Standard Mail Mixed (Activity Code '5340') in program PREMITOT.

2.a) Proportional Re-allocation of Clocking In and Out to BMC and non-MODS Premium Costs.

Program PREMITOT estimates the percent of mail processing premium costs for non-BMC facilities out of the total C/S 3 premium costs. Clocking in and out (actv=6522) premium costs are included in the MODS mail processing pool premium costs. However, they need to be reallocated between the administrative and mail processing portions of the premium tallies for the BMCs and the PO/STA/BRs. Since the reallocation is proportional, BMC and PO/STA/BR premium tallies can be inflated by hard-coded clocking in/out 'inflation' factors. The hard-coded factors for each facility group consist of two ratios, one for the Night Pay and one for the Sunday Pay. The numerator for each ratio consists of the mail processing and non-mail processing premium tallies for the facility group, including those with actv=6522; the denominator consists

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of the mail processing and non-mail processing premium tallies for the facility group, excluding those with actv=6522. The hard coded numbers occur in PREMITOT where the comment caption indicates ‘*...clocking in/out inflation factors for premium tallies;’. The comment captions next to those numbers indicate that the sources for the hard-coded numbers are from TAB3 and TAB1 for the BMCs, and TAB4 and TAB2 for the non-MODS (i.e. PO/STA/BRs) as follows:

```
*...clocking in/out inflation factors for premium tallies ;
*...add mail proc and admin in numerator, subtract 6522 in denom;

      NITEFACT=(352465+32445)/(352465+32445-6870 ); *TAB 3 & 1;
      SUNDFACT=(50644+4505)/(50644+4505-1508);
      IF NIGHT='1' THEN DOLLAR1=DOLLAR*nitefact; *totalN;
      IF SUNDAY='1' THEN DOLLAR2=DOLLAR*sundfact;

*...clocking in/out inflation factors for premium tallies ;
*...mail process. break time inflation factors for premium tallies;

      OVH6522N=(772526+87558)/(772526+87558-27676); *Tab 4 & 2;
      OVH6522S=(27401+2096)/(27401+2096-0 );
      OVH6521N=772526/(772526-63750); *tab 4;
      OVH6521S=27402/(27402-1019);
      IF NIGHT='1' THEN DOLLAR1=DOLLAR*OVH6521N*OVH6522N ;
      IF NIGHT='1' THEN VCOSTS1=VCOSTS*OVH6521N*OVH6522N ;
      IF SUNDAY='1' THEN DOLLAR2=DOLLAR*OVH6521S*OVH6522S;
      IF SUNDAY='1' THEN VCOSTS2=VCOSTS*OVH6521S*OVH6522S;
```

Additionally, as shown by the above program codes, break time premium costs are re-allocated to the mail processing premium tallies for the PO/STA/BRs.

The PREMITOT program codes in the following data steps generate Tab 1 and Tab 3 for the BMCs:

Data step `DATA BMCADW BMC6522;`

```
PROC FREQ DATA=BMC6522;
  TABLES CAT*NIGHT CAT*SUNDAY/NOROW NOCOL NOPERCENT;
  WEIGHT DOLLAR;
  TITLE1 'Tab 1. BMC ADMWIN NIGHT AND SUNDAY PREMIUM COSTS';
  TITLE2 'INCLUDE TOTAL 6522 PREMIUM COSTS';
```

Data step `BMCDIR BMDOLLAR;`

```
PROC FREQ DATA=BMDOLLAR;
  TABLES NIGHT SUNDAY/NOROW NOCOL NOPERCENT;
  WEIGHT DOLLAR;
  TITLE1 'Tab 3. BMC MAIL PROCESSING PREMIUM COSTS';
  TITLE2 'DO NOT INCLUDE ALLOCATED 6522 COSTS';
```

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tab 1 - BMCS ADMWIN NIGHT AND SUNDAY PREMIUM COSTS
INCLUDE TOTAL 6522 PREMIUM COSTS
The FREQ Procedure
Table of ACTV by NIGHT

	ACTV	NIGHT
Frequency	1	Total
OTHE	25576	25576
6522	6869.5	6869.5
Total	32445.4	32445.4

Table of ACTV by SUNDAY

	ACTV	SUNDAY
Frequency	1	Total
OTHE	2997.7	2997.7
6522	1507.7	1507.7
Total	4505.43	4505.43

tab 3 - BMCS MAIL PROCESSING PREMIUM COSTS
DO NOT INCLUDE ALLOCATED 6522 COSTS
cost pools include fixed costs

The FREQ Procedure

NIGHT	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	352464.5	100.00	352464.5	100.00

SUNDAY	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	50644.22	100.00	50644.22	100.00

The PREMITOT program codes in the following data steps generate Tab 2 and Tab 4 for the
PO/STA/BRs:

Data step `DATA NMODADW NMOD6522;`

```
PROC FREQ DATA=NMOD6522;
  TABLES CAT*NIGHT CAT*SUNDAY/NOROW NOCOL NOPERCENT;
  WEIGHT DOLLAR;
  TITLE1 'Tab 2. NON-MODS ADMWIN NIGHT AND SUNDAY PREMIUM COSTS';
  TITLE2 'INCLUDE TOTAL 6522 PREMIUM COSTS IDENTIFIED SEPARATELY';
```

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Data step 'DATA NMDDIR NMDOLLAR;'

```

PROC FREQ DATA=NMDOLLAR;
  TABLES CAT*NIGHT CAT*SUNDAY/NOROW NOCOL NOPERCENT;
  WEIGHT DOLLAR;
  TITLE1 'Tab 4. NONMODS MAIL PROCESSING PREMIUM COSTS';
  TITLE2 'DO NOT INCLUDE ALLOCATED 6522 COSTS';
  TITLE3 'INCLUDE MAIL PROC 6521 PREMIUM COSTS (IDENTIFIED SEPARATELY)';

```

Tab 2. NON-MODS ADMWIN NIGHT AND SUNDAY PREMIUM COSTS
INCLUDE TOTAL 6522 PREMIUM COSTS IDENTIFIED
SEPARATELY

The FREQ Procedure

Table of CAT by NIGHT

	CAT		NIGHT		
Frequency	1		Total		
					-----+
OTHR	59882		59882		
					-----+
6522	27676		27676		
					-----+
Total	87558.4		87558.4		

Table of CAT by SUNDAY

	CAT		SUNDAY		
Frequency	1		Total		
					-----+
OTHR	2096.4		2096.4		
					-----+
6522	0		0		
					-----+
Total	2096.43		2096.43		

Tab 4. NONMODS MAIL PROCESSING PREMIUM COSTS
DO NOT INCLUDE ALLOCATED 6522 COSTS
INCLUDE MAIL PROC 6521 PREMIUM COSTS (IDENTIFIED SEPARATELY)

The FREQ Procedure

Table of CAT by NIGHT

	CAT		NIGHT		
Frequency	1		Total		
					-----+
OTHR	708776		708776		

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	-----+-----	
6521	63750	63750
	-----+-----	
Total	772526	772526

Table of CAT by SUNDAY

	CAT	SUNDAY
Frequency	1	Total
	-----+-----	
OTHR	26383	26383
	-----+-----	
6521	1019.1	1019.1
	-----+-----	
Total	27401.7	27401.7

2.b) Proportional Re-allocation of activity code '5340' to the Premium distribution keys

The premium tallies for actv=5340 are redistributed proportionately to the 'enhanced carrier' and 'standard mail' Night Pay and Sunday Pay premium direct tallies by applying to those direct tallies hard-coded 'inflation' factors in the PERMITOT program codes following the comment caption '*.....adjustment for actv=5340.....;' as follows:

```
*.....adjustment for actv=5340 redist to standard.....;
  IF ' 9'<=SUBSTR(DMM,1,2)<='13' AND NIGHT='1'
    AND PLATF = 'NON-PLA,NON-PREM'
    THEN VCOSTS= VCOSTS*(436033+35829+4108)/(436033+35829);
  IF ' 9'<=SUBSTR(DMM,1,2)<='13' AND NIGHT='1'
    AND SUBSTR(PLATF,1,8) = 'PLATFORM          '
    THEN VCOSTS= VCOSTS*(11484+2044+ 60)/(11484+2044);

*.....adjustment for actv=5340.....;
  IF ' 9'<=SUBSTR(DMM,1,2)<='13' AND SUNDAY='1'
    AND PLATF = 'NON-PLA,NON-PREM'
    THEN VCOSTS= VCOSTS*(45908+3096+137)/(45908+3096);
```

The inflation factors are ratios which consist of the direct tallies for 'enhanced carrier,' 'standard mail,' and actv=5340 in the numerator; and the same tallies but without those for actv=5340 in the denominator. The following 'proc freq' codes were inadvertently omitted from two data steps ('DATA OUTX; SET S4;' and 'DATA OUTX; SET S5;') below the comment caption '*.....derive premium distribution keys.....;'.

```
Data step 'DATA OUTX; SET S4;'
PROC FREQ FORMCHAR(1,2,7)='  ';
```

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```

TABLES MAIL*PLATF/ NOPERCENT NOROW ;
WEIGHT DOLLAR;
TITLE1 'TABLE V-3C: NIGHT PAY DISTRIBUTION KEYS - PRC VERSION ' ;
TITLE2 'NON-BMC MAIL PROCESSING SUBCLASS VOLUME-VARIABLE COSTS' ;
TITLE3 'BY PLATFORM AND NON-PLATFORM OPERATIONS' ;
TITLE4 'SUBCLASSES ARE IDENTIFIED IN SEPARATE PREF & NON-PREF' ;
TITLE5 'COLUMNS FOR NON-PLATFORM OPERATIONS' ;
TITLE6 'BASED ON PREMIUM DIRECT TALLIES' ;
TITLE7 'ACTV 5340 UNDISTRIBUTED' ;

```

Data step `DATA OUTX; SET S5;`

```

PROC FREQ FORMCHAR(1,2,7)='  ' ;
TABLES MAIL*PLATF / NOPERCENT NOROW ;
WEIGHT DOLLAR;
TITLE1 'TABLE V-3F: SUNDAY PAY DISTRIBUTION KEYS - PRC VERSION ' ;
TITLE2 'NON-BMC MAIL PROCESSING SUBCLASS VOLUME-VARIABLE COSTS' ;
TITLE3 'BY PLATFORM AND NON-PLATFORM OPERATIONS' ;
TITLE4 'SUBCLASSES ARE IDENTIFIED IN SEPARATE PREF & NON-PREF' ;
TITLE5 'COLUMNS FOR NON-PLATFORM OPERATIONS' ;
TITLE6 'BASED ON PREMIUM DIRECT TALLIES' ;
TITLE7 'ACTV 5340 UNDISTRIBUTED' ;

```

These `proc freq` codes generate Tables V-3C and V-3F which are the sources for the hard-coded numbers:

TABLE V-3C: NIGHT PAY DISTRIBUTION KEYS
NON-BMC MAIL PROCESSING SUBCLASS VOLUME-VARIABLE COSTS
BY PLATFORM AND NON-PLATFORM OPERATIONS
SUBCLASSES ARE IDENTIFIED IN SEPARATE PREF & NON-PREF
COLUMNS FOR NON-PLATFORM OPERATIONS
BASED ON VOL-VARIABLE COSTS FOR DIRECT TALLIES
undistributed 5340

The FREQ Procedure

Table of MAIL by PLATF

Col Pct	NON-PLA	MAIL		PLATF
		NON-PLA, PREM-544	PLATFORM NON-PREM	Frequency Total (660)
1--LTRS SGL PC	1104530	0	18657	1123187
		58.80	0.00	30.38
2--LTRS PRESORT	294834	0	5096	299930
		15.69	0.00	8.30
3--CARDS SGL PC	49146	0	128.63	49275
		2.62	0.00	0.21
4--CARDS PRSORT	13773	0	122	13895
		0.73	0.00	0.20
5--PRIORITY	177566	0	8899	186465
		9.45	0.00	14.49

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6--EXPRESS	17182	0	1190.4	18372
		0.91	0.00	1.94
8-1 IN COUNTY	2120.1	0	330.9	2451
		0.11	0.00	0.54
8-2 OUT COUNTY	151672	0	5407.8	157080
		8.07	0.00	8.81
10--(A) ENH.CARR	0	35829	2044.4	37873
		0.00	6.91	3.33
11--(A) REGULAR	0	436033	11484	447517
		0.00	84.08	18.70
14--(B) PARCELS	0	20618	3473.7	24091
		0.00	3.98	5.66
15--(B) BD PRINT	0	11063	1231.5	12294
		0.00	2.13	2.01
16--(B) MEDIA ML	0	10969	852.94	11822
		0.00	2.12	1.39
18--USPS	30172	0	1958.2	32130
		1.61	0.00	3.19
19--FREE MAIL	2434.3	0	61.947	2496.2
		0.13	0.00	0.10
20--INTL MAIL	35098	0	410.6	35509
		1.87	0.00	0.67
5340	0	4108.4	60.054	4168.5
		0.00	0.79	0.10
Total	1878528	518619	61409.3	2458557

TABLE V-3F: SUNDAY PAY DISTRIBUTION KEYS
NON-BMC MAIL PROCESSING SBUCLASS VOLUME-VARIABLE COSTS
BY PLATFORM AND NON-PLATFORM OPERATIONS
SUBCLASSES ARE IDENTIFIED IN SEPARATE PREF & NON-PREF
COLUMNS FOR NON-PLATFORM OPERATIONS
BASED ON VOL-VARIABLE COSTS FOR DIRECT TALLIES
undistributed 5340

The FREQ Procedure

Table of MAIL by PLATF

Col	Pct	NON-PLA	MAIL		PLATF	Frequency Total (655)
			NON-PLA, PREM-659	PLATFORM NON-PREM		
1--LTRS SGL PC	52184	0	384.45	52569		
		50.92	0.00	15.41		
2--LTRS PRESORT	19683	0	0	19683		
		19.21	0.00	0.00		
3--CARDS SGL PC	2831.4	0	0	2831.4		
		2.76	0.00	0.00		
4--CARDS PRSORT	617.73	0	0	617.73		
		0.60	0.00	0.00		
5--PRIORITY	6183.1	0	431.87	6614.9		
		6.03	0.00	17.31		
6--EXPRESS	387.36	0	0	387.36		

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		0.38	0.00	0.00
8-1 IN COUNTY	69.209	0	261.75	330.96
		0.07	0.00	10.49
8-2 OUT COUNTY	15448	0	179.54	15628
		15.07	0.00	7.20
10--(A) ENH.CARR	0	3096.1	528.11	3624.2
		0.00	6.05	21.17
11--(A) REGULAR	0	45908	579.66	46488
		0.00	89.77	23.24
14--(B) PARCELS	0	1087.4	60.054	1147.5
		0.00	2.13	2.41
15--(B) BD PRINT	0	835.84	0	835.84
		0.00	1.63	0.00
16--(B) MEDIA ML	0	72.744	0	72.744
		0.00	0.14	0.00
18--USPS	1610.4	0	69.282	1679.7
		1.57	0.00	2.78
20--INTL MAIL	3469.7	0	0	3469.7
		3.39	0.00	0.00
5340	0	137.37	0	137.37
		0.00	0.27	0.00
Total	102484	51137.7	2494.72	156116

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 7, QUESTION 8

8. In USPS-T-13 at 24, witness Smith notes that the Postal Service further analyzed survey data when there was a 10% difference between FMSWIN data and surveyor data. Please provide a rationale for selecting a 10 percent difference as the threshold for further investigation.

RESPONSE:

In comparing the FMSWIN facility square feet total with the surveyor's estimates of this total facility space for each survey, a certain amount of difference can be expected. This is the result of differences in methods or small amounts of surveyor error. The 10 percent difference allows some room to accommodate these concerns.

An important difference in methods that can occur is on the treatment of the interior wall space. Total building space can be based on the exterior measurements of a building, including all walls as facility space. Alternatively total building space can be measured net of interior wall space, or excluding interior wall space.

Part of this review includes surveyor's explanation of the difference. This explanation was requested if the difference was 10 percent or more, as instructed in questionnaire line P30. The 10 percent difference is large enough to request surveyors to recheck their results and if the difference remains, to provide the reasons, as best can be determined, for the difference.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 7, QUESTION 9

9. In USPS-T-13 at 26, lines 1 – 2, witness Smith states that “[t]here were 15 cases where the survey data couldn’t be reconciled with FMSWIN and/or the data appeared unreliable so the data for these facilities was discarded.”

- (a) Please discuss in more detail what data in each survey were irreconcilable with FMSWIN data and the underlying cause.
- (b) What benchmarks or quantitative assessments were used to determine an appearance of unreliability?
- (c) Of the 15 discards, how many were discarded because of FMSWIN data problems, how many were discarded because the data were unreliable, and how many were discarded for both problems?

RESPONSE:

(a) We compared the FMSWIN facility square feet total (excluding ancillary space such as Covered Vehicle Storage, VMF or vacant-tenant) with the surveyor’s estimates of this same facility space for each survey. The specific comparison was the FMSWIN “Interior USPS Occupied Square Feet” to the surveyor’s estimates of this same facility space (questionnaire line P25). FMSWIN “Interior USPS Occupied Square Feet” is further discussed in section II of LR-K-62, Volume 1. (In past surveys, “Interior USPS Occupied Square Feet” was called Block 45 in the formerly used FMS data input form “PS Form 7500-B” – see Docket No. R94-1, LR-G-120).

The underlying causes of differences larger than 10 percent can be best understood from the cases where the differences were reconciled. Both surveyor error and outdated FMSWIN data were the sources of the differences. This was discussed in my testimony, USPS-T-13, pages 25-26 and also in LR-K-62, Volume 1, pages III-12 to III-14. The problem with the 15 surveys that were discarded, is that the source of the difference could not be discerned. So we can not say what the causes were for the differences in the discarded surveys. Our judgment was that the data was unreliable for these 15 discarded surveys.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 7, QUESTION 9

(b) Examples of the reliability concerns are provided in the Attachment to this response, in the column “Additional Concerns on Data Reliability.” Aside from entering the data on the Facility Survey website, surveyors were supposed to provide a backup copy of the completed questionnaire form – either a spreadsheet or hard copy questionnaire form. One sign of unreliable results was the backup was: not provided, incomplete or inconsistent with the website data. Survey results which showed unlikely results such as a large station/branch with no workroom space raised concerns. Surveyor comments sometimes suggested uncertainty or difficulties in adequately doing the survey. Finally, an important indicator of data unreliability was where the surveyor failed to provide any explanation for differences greater than 10 percent, or where the explanations didn’t make sense.

(c) The surveys were discarded if the survey data appeared unreliable or likely to be unreliable. If it could be determined that the FMSWIN data was in error, and that explained the difference, then the survey data was retained. Aside from the 15 discarded surveys with unexplained differences between FMSWIN and the surveyor facility space totals, two other surveys were discarded due to incomplete data as discussed in LR-K-62, Volume 1 at page III-15. These two surveys involved delivery units whose operations had been split between two locations, but only one location was surveyed.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 7, QUESTION 10

10. Please refer to the four survey questionnaires that support the facility study described in USPS-T-13. On each of the surveys, question P32 refers to space appropriation variations throughout the year (specifically from summer to fall). How many facilities reported there would be differences? What differences were reported? What was the effect of these differences on the study?

RESPONSE:

A preliminary review of the surveys indicates the following:

Approximately half of the surveys contained a response for P32. About 80 percent of the responses (40 percent of surveys) indicated no change in space utilization for the survey, if the survey had been conducted in the fall mailing season. Please note that a number of such “no change” responses did indicate things like: significant crowding, use of aisle space for operations, storing mail in trailers and use of tents. About 20 percent of the responses to P32 (10 percent of the surveys) indicated there was differences in the usage of space for different operations, however about 80 percent of these (8 percent of the surveys) were very general, without details needed to relate changes to the questionnaire categories. The remaining responses indicating differences in the usage of space for different operations (2 percent of the surveys), did contain specifics such as amount of space and which survey questionnaire lines would be affected.

The reported differences in space usage are as follows. Examples of the general, but not very specific comments are: additional space leased, more space for staging, hold mail area expanded, carrier space increased, processing space increased, additional space needed for Priority Mail, additional space needed for Parcel Post, additional space needed for parcels, unused space is used, processing done in carrier loading area, more space for dispatching, more space for breakdown, and more space

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 7, QUESTION 10

for catalogs. About half of the more specific P32 comments concerned Priority Mail (5 surveys) with statements like: “During the month of Dec a priority hub is set up in the area occupied by the bilk [sic] opening unit (6935 sq ft). The bulk opening unit is moved to one of the storage rooms.” The rest of specific P32 comments include information such as: “the square footage for manual letter cases increases by approximately 750-1000 and the storage area for the LIPS area would double/triple depending on holidays.”

The P32 comments were used along with other comments for making edits. In at least one instance an edit was based in part on the P32 response. These comments also support the survey’s treatment of unused mail handling facility space as being ancillary to all operations. See discussion of this in LR-K-62, Volume 1, pages III-16 to III-20.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 7, QUESTION 11

11. Please refer to the facility study described in USPS-T-13. Please provide the non-response rate for the study and show your calculations. Please state whether the basis for this calculation is the number of finance units or the number of facilities.

RESPONSE:

The survey results for 741 facilities were obtained from the surveyors. The original number selected facilities was 771. Of these, 35 were dropped because we no longer owned or leased the facilities and 18 facilities were added for those cases when a new facility, not in our original sample, had replaced the facility no longer in use. Thus we sought surveys for 754 facilities ($771-35+18$). There were 13 non-responses, leaving us with 741 surveys obtained (for 741 facilities). This is reported in LR-K-62, volume 1, pages III-11 and III-12.

Based on this, the non-response rate is $13/754$ or 1.7 percent. In addition there were 17 surveys that were discarded due to unexplained differences with FMSWIN data and incomplete data. If we add those to the 13 non-responses, we get $30/754$ or 4 percent.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 7, QUESTION 12

12. Please refer to LR-K-62, Extrapolation.Factors.Final.xls. What is the source for the numbers in column F, 'adjustment for non-response,' for the set of data labeled 'USPS interior square feet'?

RESPONSE:

The calculation of the square feet in column F is shown in the attachment to this response. Column E is the FMSWIN USPS Interior Occupied square feet for the sample selected, by strata. The Adjustment for Non-Response, which is shown in column G, is the difference between Column F and Column E. The calculation of this adjustment is shown in columns H to J. Column H is the amount of FMSWIN Interior Occupied sq. ft. for the facilities selected to be surveyed but no survey was provided. Column I is the amount of FMSWIN Interior Occupied sq. ft. for the facilities selected to be surveyed but the survey data was discarded. Column J is the sum of both Columns H and I. It is the adjustment for non-response, and it matches the adjustments shown in Column G. Column F is Column E minus Column J.

RESPONSE OF POSTAL SERVICE WITNESS SMITH
TO POIR NO. 7, QUESTION 13

13. Please refer to LR-K-62, other1.Revised.Vers.Of.6.23.04.xls. The carrier annex exterior platform area is listed as 358,862 (See cell G12). The cell formula is shown as SPACEVA2a.xls, G10 + 57951. What is the source and derivation of the latter figure? What is the rationale for including it in the carrier annex exterior platform area?

RESPONSE:

The latter figure, 57,951 sq. ft. is an adjustment to the FMSWIN data on exterior platform space for the Carrier Annex stratum. This adjustment arose from the review of surveys that had a difference of more than 10 percent between survey results and FMSWIN. In this case the survey of a carrier annex had 5,395 sq. ft. less interior space than the FMSWIN interior square feet, well beyond a 10 percent discrepancy. The discrepancy was resolved by the determination that the FMSWIN sq. ft. was overstated due to erroneously including exterior platform as interior space. Given this conclusion, FMSWIN had understated the exterior platform space by this amount. As shown in VMF.CVS.VACANT-TENANT.FMSWIN.ADJUSTMENTS.Final.xls, sheet "Inflated Adjustments," row 11 the extrapolation of the 5,395 sq. ft. results in the 57,951 sq. ft. adjustment. This adjustment is described in LR-K-62, Volume 1, pages IV-5 to IV-9, particularly footnote 4.

RESPONSE OF WITNESS TAUFIQUE
TO POIR NO. 7, QUESTION 14

14. Please refer to LR-K-115, USPST28Cspreadsheets, sheet SS30 Return Receipts. The “Electronic” volume projections are all listed as zero. Endnote number three on this page explains, “Electronic return receipt volume for 2004 is not available because of the delayed implementation of the product. No volume projections have been made to the test year.”

(a) Please describe the implementation status of this service.

(b) Since completing this study, has Electronic Return Receipt volume for 2004 been made available? If so, please provide the information.

RESPONSE:

a) The electronic option for return receipt service was implemented on September 9, 2004.

b) No volume data for the electronic option were collected for FY 2004. Some FY 2005 data will be provided in response to Question 16 of POIR No. 8.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS TAYMAN
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 7, QUESTION 15

POIR No. 7-15. Refer to the item "other income" in Exhibit USPS-27B, "Summary of Estimated Test Year After Rates Finances Revenue and Volume Variable Cost." Please provide an itemized list of the components which make up this sum. Also include account numbers, descriptions, and base year amounts.

Response:

Attached is the breakdown of FY 2004 Other Income by general ledger account number for the base year. The Test Year After Rates Other Income figure on Exhibit USPS-27B is composed of the following:

Retail Alliances	\$ 19.094	USPS-LR-K-50, Chapter Xe., page 444
Miscellaneous Income	\$484.890	USPS-LR-K-50, Chapter Xe., page 444
Special Service Fees	<u>\$ - 8.566</u>	Other Special Services Fees
Total	<u>\$495.418</u>	Exhibit USPS-27B, Other Income

As described in USPS-LR-K-50 Chapter X, e, retail alliances is forecast as the ratio of actual revenue to expected revenue for the four previous quarters multiplied by the expected revenue for the current quarter. As also described in USPS-LR-K-50 Chapter X, e, miscellaneous income is forecast in total based on averages of prior year amounts; therefore, estimates by specific line items are not available. The special services fees included in miscellaneous income (e.g. address changes to election boards, correction of mailing lists, meter service, permit imprint permit fees, shipper paid forwarding, and ZIP Coding of mailing lists) are removed from the total other income and included in revenue from other special services by witness Robinson in her Exhibit 27B.

Other Income
FISCAL YEAR 2004

Gen Ledger Acct #	Label	FY 2004
42101.000	Rev-Packg Prod Natl General	(73)
42101.093	Rev-Packg Prod Natl General	90,636,292
42102.000	Retail Prod-Postal Merch	(480)
42102.098	Retail Prod-Postal Merch	3,314,152
42105.000	Retail-Drop Box Alliance	20,246,293
42107.000	Retail Prod-Philat. Sales	(8,387)
42107.092	Retail Prod-Philat. Sales	31,042,479
42199.000	COG Pack Prod Natl General	178,623
42341.000	Migratory Bird Stamps	181,767
43330.112	On-Site Meter Setting Fee	41,804
43333.141	Merch Return Svc Annual Fee	179,059
43340.137	Stamps By Phone Fees	6,068,815
43341.155	Merch Return Service Fee	408,218
43350.000	Photo Copy Service	(3,543)
43350.123	Photo Copy Service	17,441,739
43350.241	Passport Photo Service	13,528,963
43360.000	Annual Fees-Subscrip Serv	880,845
43360.128	Annual Fees-Subscrip Serv	80,388
43370.129	Change of Address Infor Fees	143,777
43380.000	Privacy Act Copying Fees	783
43380.127	Privacy Act Copying Fees	22,560
43381.120	Other Correction of Mail List	107,756
43383.000	Permit Imprint Application Fee	(150)
43383.140	Permit Imprint Application Fee	6,263,713
43387.000	Service for Contractors	(124,365)
43387.147	Service for Contractors	8,035
43388.000	Freedom of Information Act	22,858
43388.198	Freedom of Information Act	61,787
43389.000	Other Refund of Fees	(117,066)
43389.535	Other Refund of Fees	(9,729,101)
43391.148	Customs Fees/Storage Chg	203,304
43420.264	Passport Application Fees	111,194,000
44028.146	Other Unclaim Mony Dead L/P	417,256
44028.549	Other Unclaim Mony Dead L/P	(316,281)
44029.145	Other Auction Unclaim Merch	5,440,715
44030.000	Rev-Misc Other Services	119,592,959
44030.126	Revenue - Other Misc	48,905,655
44030.262	Rev - Other Misc Norman TC	145,476
44031.000	Other - USPS Parking Fees	90,189
44032.106	Money By Wire Fees	2,131,583
44032.646	Money By Wire Fees Refunds	(10,681)
44033.000	Revenue From Forfeitures	2,261
44035.000	Rev - Misc Other Income	1,641,708
44036.000	Rev-Sale Supply Center Inv	4,670,607
44036.157	Rev-Sale of Antiques	4,724
44037.122	Rev-Other Periodical Denied	517,332
44038.000	Veh Sup/Svc-US Gov't Agency	120,462
44039.000	Refund of Misc Revenue	358,487
44039.624	Refund of Misc Revenue	(3,003,227)
44041.083	Rev-Commemorative Env	2,505,985
44041.524	Rev-Commemorative Env	(10,908)
44043.099	Revenue - Phone Cards	12,159,579
44043.108	Rev - Marketing Initiatives	74,753
44043.199	Rev - Phone Cards-Vending	164,700
44043.231	Rev-Mkt Init-WB Products	12,155,787
44043.499	Rev - Phone Cards Returns	(7,292)
44043.608	Rev-Mkt Init-Postal Prod Ref	(107,907)
44046.000	Rent - Private Concerns	36,198,067
44047.000	Rent/Fuel/Util US Gov't Agen	36,151,790
44051.000	Rev-Other Crim Rest I.S.	105
45610.000	Land/Bldgs Sale Gain/Loss	12,194,213
45960.000	Reim/Cost Reduction Cntl	(29,619,599)
45961.000	Land/Bldgs-Coll From Sale	23,358,653
45963.000	Misc Equip-Coll From Sale	1,444,443
45965.000	Motor Veh-Coll From Sale	5,470,570
	Other Income	\$ 585,117,009

RESPONSE OF WITNESS TAUFIQUE
TO POIR NO. 7, QUESTION 16

16. Please refer to LR-K-115, USPST28Cspreadsheets. In sheet "SS-37 Zip Coding," the AC #43381 "FY 2004 Revenue" is listed as \$322,462, whereas in sheet "SS-13 Correction of Mail. Lists", the AC #43381 "FY 2004 Revenue" is listed as \$107,756. Please reconcile these figures.

RESPONSE:

The \$107,756 revenue should have been used in the revenue calculation in the ZIP Coding of Mailing Lists workpaper. Therefore, the calculated TYBR revenue for this service (using 7.2 percent of the correct total revenue of \$107,756) should be \$7,758 and the TYAR revenue should be \$8,146.