

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

PARCEL RETURN SERVICE

Docket No. MC2006-1

**SUPPLEMENTAL RESPONSES OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OCA/USPS-T2-13 & 15**

The United States Postal Service hereby provides its supplemental responses to interrogatories OCA/USPS-T2-13 and 15. In his original responses, witness Miller indicated that the Postal Service would be filing subsequently “a PRS cost model that relies on the data contained in Docket No. R2005-1, PRC-LR-9.” That model is provided herewith.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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SUPPLEMENTAL RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE
REDIRECTED FROM WITNESS MILLER

OCA/USPS-T2-13. Please refer to your testimony Attachment B, pages 2 and 3 of 4. You use a variability of 56.37% in calculating the Weight/Rate and Acceptance retail transaction time, respectively, and cite for support Docket No. R2005-1. Does the variability you use conform to the variability utilized by the Commission in establishing the rates recommended in the recent opinion in Docket No. R2005-1? If not, please, explain and provide the variability figure used by the Commission. Please include a citation to the Commission's opinion or workpapers.

RESPONSE:

Please see the attached.

SUPPLEMENTAL RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE
REDIRECTED FROM WITNESS MILLER

OCA/USPS-T2-15. Please update all exhibits, attachments and tables in your testimony to reflect the costs determined by the Postal Rate Commission in the Docket No. R2005-1 Opinion and Recommended Decision.

RESPONSE:

Please see the attached.

Summary of Estimated Cost Differences Compared to Benchmark

	Acceptance [1]	Mail Processing [2]	Storage [3]	Transportation [4]	Scanning [5]	Postage Due [6]	Total [7]
RBMC							
Machinable	(\$0.033)	(\$0.616)	\$0.017	(\$0.942)	\$0.000	\$0.073	(\$1.501)
Non-machinable	(\$0.033)	(\$1.262)	\$0.114	(\$6.160)	\$0.000	\$0.073	(\$7.268)
Oversize	(\$0.033)	(\$2.025)	\$0.338	(\$17.604)	\$0.000	\$0.073	(\$19.251)
RDU							
Machinable	(\$0.033)	(\$1.467)	\$0.046	(\$1.040)	\$0.077	\$0.000	(\$2.417)
Non-machinable	(\$0.033)	(\$5.523)	\$0.311	(\$6.802)	\$0.077	\$0.000	(\$11.970)
Oversize	(\$0.033)	(\$13.347)	\$0.922	(\$19.440)	\$0.115	\$0.000	(\$31.783)

Sources

- [1]: Attachment B, page 1.
- [2]: Attachment C, page 1.
- [3]: Attachment D, page 1.
- [4]: Attachment E, page 1.
- [5]: Attachment F, page 1.
- [6]: Attachment G, page 1.
- [7]: Sum of [1] through [6].

Acceptance Cost Difference Summary (per piece)

Retail Cost Difference

	Unit Costs	
PRS	\$0.231	1/
Intra-BMC (retail)	\$0.662	2/
Cost Difference	(\$0.431)	3/

Bulk Cost Difference

	Unit Costs	
PRS	\$0.231	4/
Intra-BMC (bulk)	\$0.016	5/
Cost Difference	\$0.215	6/

Weighted Average Cost Difference

	Distribution [1]	Cost Difference [2]	
Entered at Window (Retail)	38.5%	(\$0.431)	2a
Entered in Bulk (Non-retail)	61.5%	\$0.215	2b
Weighted Average Cost Difference per piece		(\$0.033)	2c

Sources

1/: Attachment B, page 3.

2/: Attachment B, page 2.

3/: (1) -(2),

4/: Attachment B, page 3.

5/: Attachment B, page 4..

6/: (4) - (5).

[1]: Docket R2005-1, USPS-LR-K-46, page 6.

[2]: Estimated cost differences

[2a]: (3).

[2b]: (6).

[2c]: Estimated costs in [2a] and [2b] weighted by percentages in [1].

**Intra-BMC Retail Transactions
Cost Per "Weight/Rate" Transaction**

Transaction Time (in seconds)			64.800		1/
Transaction Time (in minutes)			1.080		2/
TY 06 Wage Rate (per hour)			\$36.344		3/
TY 06 Wage Rate (per minute)			\$0.606		4/
Direct Cost per transaction			\$0.654		5/
Misc. Volume Variable Window Costs	11.50%	x	\$0.654 =	\$0.075	6/
			+	<u>\$0.654</u>	
				\$0.729	
Waiting Time Adjustment	20.40%	x	\$0.654 =	\$0.133	7/
			+	<u>\$0.729</u>	
				\$0.863	
Variability	56.37%	x	\$0.863 =	\$0.486	8/
Piggyback Factor	1.361	x	\$0.486 =	\$0.662	9/
Cost per minute for Retail Transaction			=	\$0.662	10/

Sources

1/: Docket No. R97-1, LR-H-167 (Transaction Time Study), Table 3.1, page 160, "weight/rate" task

2/: (1) / 60.

3/: Attachment C, page 4, line (6).

4/: (3) / 60.

5/: (2) x (4).

6/: Docket No. R2005-1, PRC-LR-3, file "CS03 - PRC.XLS", worksheet 3.2.1, cell F37 divided by cell E37 (break time, clocking in and out, moving equip.).

7/: Docket No. R2005-1, PRC-LR-3, file "CS03 - PRC.XLS", worksheet 3.2.1, cell G37 divided by cell E37

8/: Docket No. R2005-1, PRC-LR-3, file "CS03 - PRC.XLS", worksheet 3.2.1, cell N37

9/: Docket No. R2005-1, PRC-LR-6, file "PIGTY06NEW2.XLS", worksheet "summary", cell C25

10/: Product from (9).

**PRS Retail Transactions
Cost Per "Acceptance" Transaction**

Transaction Time (in seconds)		22.650	1/
Transaction Time (in minutes)		0.378	2/
TY 06 Wage Rate (per hour)		\$36.344	3/
TY 06 Wage Rate (per minute)		\$0.606	4/
Direct Cost per transaction		\$0.229	5/
Misc. Volume Variable Window Costs	11.50% x	\$0.229 = \$0.026	6/
		+ \$0.229	
		\$0.255	
Waiting Time Adjustment	20.40% x	\$0.229 = \$0.047	7/
		+ \$0.255	
		\$0.302	
Variability	56.37% x	\$0.302 = \$0.170	8/
Piggyback Factor	1.361 x	\$0.170 = \$0.231	9/
Cost per minute for Retail Transaction		= \$0.231	10/

Sources

1/: Docket No. R97-1, LR-H-167 (Transaction Time Study), Table 3.1, page 160, "acceptance" task

2/: (1) / 60.

3/: Attachment C, page 4, line (6).

4/: Row (3) / 60.

5/: (2) x (4).

6/: Docket No. R2005-1, PRC-LR-3, file "CS03 - PRC.XLS", worksheet 3.2.1, cell F37 divided by cell E37 (break time, clocking in and out, moving equip.).

7/: Docket No. R2005-1, PRC-LR-3, file "CS03 - PRC.XLS", worksheet 3.2.1, cell G37 divided by cell E37

8/: Docket No. R2005-1, PRC-LR-3, file "CS03 - PRC.XLS", worksheet 3.2.1, cell N37

9/: Docket No. R2005-1, PRC-LR-6, file "PIGTY06NEW2.XLS", worksheet "summary", cell C25

10/: Product from (9).

Intra-BMC Bulk Acceptance/Verification Cost Methodology

Docket No. MC2003-2 Unit Cost Estimate	1/	\$0.014
TY 2003 Window Service Wage Rate	2/	\$32.306
TY 2006 Window Service Wage Rate	3/	\$36.344
Cost Escalation Factor	4/	1.125
TY 2006 Unit Cost Estimate	5/	\$0.016

Sources

1/: Docket No. MC2003-2, USPS-T-2, Attachment B, page 4

2/: Docket No. MC2003-2, USPS-T-2, Attachment C, page 4

3/: Docket No. MC2006-1, USPS-T-2, Attachment C, page 4

4/: (3) / (2)

Mail Processing Cost Estimate Summary Page

Estimated Mail Processing Costs

	Modeled Costs [1]	CRA Adjustment Factors		Adjusted Costs [4]	
		Proportional [2]	Fixed [3]		
Intra-BMC Machinable	\$1.424	1.188	\$0.133	\$1.825	4a
Intra-BMC Non Machinable	\$5.050	1.188	\$0.133	\$6.134	4b
Intra-BMC Oversize	\$12.132	1.188	\$0.133	\$14.550	4c
RBMC Machinable	\$0.905	1.188	\$0.133	\$1.209	4d
RBMC Nonmachinable	\$3.988	1.188	\$0.133	\$4.872	4e
RBMC Oversize	\$10.428	1.188	\$0.133	\$12.525	4f
RDU Machinable	\$0.189	1.188	\$0.133	\$0.358	4g
RDU Nonmachinable	\$0.402	1.188	\$0.133	\$0.611	4h
RDU Oversize	\$0.901	1.188	\$0.133	\$1.204	4i

Estimated Mail Processing Cost Differences

Rate Category	Benchmark	Cost Difference [5]	
RBMC Machinable	Intra-BMC mach	(\$0.616)	5a
RBMC Nonmachinable	Intra-BMC nmo	(\$1.262)	5b
RBMC Oversize	Intra-BMC over	(\$2.025)	5c
RDU Machinable	Intra-BMC mach	(\$1.467)	5d
RDU Nonmachinable	Intra-BMC nmo	(\$5.523)	5e
RDU Oversize	Intra-BMC over	(\$13.347)	5f

Sources

[1]: Modeled costs from Attachment C, pages 7-15.

[2]: Docket No. R2005-1, PRC-LR-9

[3]: Docket No. R2005-1, PRC-LR-9

[4]: [1] * [2] + [3].

[5]: Difference between Cost Category and Benchmark.

[5a]: (4a)-(4d).

[5b]: (4b)-(4e)

[5c]: (4c)-(4f).

[5d]: (4a)-(4g)

[5e]: (4b)-(4h).

[5f]: (4c)-(4i).

Productivities and Variabilities for Direct Labor Operations

	Productivities (Units per Wkhr)	
UNLOADING		
Unload sacked machinable parcels to extended conveyor	194.8	1/
Unload machinable parcels to extended conveyor	648.5	1/
Unload non-machinable parcels	168.0	1/
Unload non-machinable parcels to IHC only (proxy for sacks)	160.5	1/
Unload wheeled containers	21.7	1/
Unload Pallets/Postal Paks/Pallet Box	12.8	1/
DUMPING & SACK HANDLING		
Dump Containers	6.5	1/
Sack shake out	72.3	1/
Manually dump sacks at Non-BMC	107.4	2/
Sack sorter (PIRS 98)	348.3	3/
PARCEL SORTING MACHINE DISTRIBUTION		
PPSM	744.9	3/
SPSM	1664.3	3/
SPSM (Before the SSIU)	1224.0	4/
100 percent Key Rate	806.0	5/
NONMACHINABLE OUTSIDES DISTRIBUTION		
NMO Distribution	68.7	3/
NMO Distribution at SCFs	356.7	6/
Parcel Sort at AO	444.1	8/
OTHER OPERATIONS		
Tend container loader/sweep runouts	5.4	1/
Crossdock containers	7.3	1/
Sack and Tie	125.4	1/
LOADING		
Bedload NMOs to van from IHCs (proxy for machinables)	183.9	1/
Bedload Sacked Machinables	190.1	1/
Load wheeled containers	10.8	1/
Load Pallets/Postal Paks/Pallet Boxes	13.9	1/
Variabilities		
BMC Platform	0.91	7/
BMC Other	0.98	7/
PSM	1.00	7/
SSM	1.00	7/
SPBS	1.00	7/
NMO Distribution at BMCs	1.00	7/
Platform Non-BMC	0.93	7/
NMO Distribution at Non-BMCs	0.99	7/
LDC43	0.97	7/

Sources

- 1/: Docket No. R97-1, LR-H-132, page 329.
2/: Proxy based on Planning Guidelines (PGLs).
3/: GFY 2003 PIMS
4/: National Database, PIRS average 1995 - 2000.
5/: National Database, PIRS FY93, (pure keying, no prebarcode).
6/: Docket No. R2005-1, USPS-LR-K-56
7/: Docket No. R2005-1, PRC-LR-9
8/: Docket No. R2001-1, LR-J-64, Attachment D, page 2 (sorting 5-digit to carrier-route).

Arrival and Dispatch Profiles

Mail Flow Arrival Profile at Originating BMCs	Arrival and Dispatch Percentages	
Machinable Parcels Arriving in Bedloaded Sacks at BMC	4.3%	1/
Machinable Parcels Arriving Bedloaded at BMC	7.0%	1/
Machinable Parcels Arriving sacked in OTRs at BMC	11.5%	1/
Machinable Parcels Arriving loose in OTRs at BMC	51.1%	1/
Machinable Parcels Arriving Palletized at BMC	1.6%	1/
Machinable Parcels Arriving in Pallet Boxes at BMC	0.9%	1/
Machinable Parcels Arriving in Hampers/APC/OWC (OWC) at BMC	23.6%	1/
Non-Machinable Parcels Arriving Bedloaded at BMC	4.0%	1/
Non-Machinable Parcels Arriving Palletized at BMC	1.3%	1/
Non-Machinable Parcels Arriving in OTR Containers at BMC	72.5%	1/
Non-Machinable Parcels Arriving in Hampers/APC/OWC (OWC) at BMC	22.2%	1/
Mail Flow Arrival Profile from Origin BMCs to Destination BMCs		
Machinable Parcels Arriving in Postal Paks at Destination BMC (from Origin BMC)	100.0%	2/
NMOs Arriving Palletized at Destination BMC (from Origin BMC)	100.0%	2/
Mail Flow Arrival at Destinating BMCs for DBMC parcels		
Machinable Parcel Arriving Bedloaded at DBMC	96.2%	3/
Machinable Parcels Arriving on Pallets at DBMC	0.3%	3/
Machinable Parcels Arriving in OTRs at BMC	0.8%	3/
Machinable Parcels Arriving in Gaylords at DBMC	2.6%	3/
Machinable Parcels arriving in OWC at DBMC	0.1%	3/
Non-Machinable Parcels Arriving Bedloaded at DBMCs	98.5%	3/
Non-Machinable Parcels Arriving in Pallet Boxes at DBMC	0.7%	3/
Non-Machinable Parcels Arriving on Pallets at DBMC	0.8%	3/
Mail Flow Dispatch Profiles From BMCs to Service Area		
Machinable Parcels Dispatched in Bedloaded Sacks to Service Area	23.8%	4/
Machinable Parcels Dispatched loose in OTRs to Service Area	60.3%	4/
Machinable Parcels Dispatched sacked in OTRs to Service Area	2.9%	4/
Machinable Parcels Dispatched in Hampers/APC/OWC (OWC) to Service Area	13.0%	4/
Non-Machinable Parcels Dispatched Bedloaded to Service Area	12.9%	5/
Non-Machinable Parcels Dispatched on Pallets to Service Area	31.0%	5/
Non-Machinable Parcels Dispatched in OTRs to Service Area	53.6%	5/
Non-Machinable Parcels Dispatched in Hampers/APC/OWC (OWC) to Service Area	2.5%	5/
Mail Flow Dispatch Profiles to Delivery Unit		
Machinable Parcels Dispatched in Bedloaded Sacks to Delivery Unit	26.7%	6/
Machinable Parcels Dispatched loose in OTRs to Service Area to Delivery Unit	60.3%	6/
Machinable Parcels Dispatched in OWC to Delivery Unit	13.0%	6/
Non-Machinable Parcels Dispatched Bedloaded to Delivery Unit	26.7%	7/
Non-Machinable Parcels Dispatched in OTRs to Delivery Unit	60.3%	7/
Non-Machinable Parcels Dispatched in Hampers/APC/OWC (OWC) to Delivery Unit	13.0%	7/

Sources

- 1/: Docket No. R97-1 USPS LR-H-131, Table 1. Assume 61.6 of bedloaded is loose and 38.4 is sacked.
Assume 81.6 percent of mail in OTRs is loose and 18.4 percent is sacked (Docket No. R97-1, LR-H-132, page 277).
- 2/: Assumptions that 100 percent of parcels going from BMC to BMC will be in Postal Paks.
- 3/: Unload Profile and # of handlings are from Docket No. R97-1 USPS-LR-H-131, Table 2.
- 4/: Docket No. R97-1 USPS LR-H-132, Attachment 1, page 274.
- 5/: Docket No. R97-1 USPS LR-H-132, Attachment 3, page 278.
- 6/: Assume same as dispatch profile as BMC, but sacks in OTRs get bedloaded.
- 7/: Use Dispatch profile of machinables as a proxy, use bedloaded sacks for bedloaded NMOs.

Piggyback Factors, Wages, Mail Flow Operating Assumptions

Wage Rate with Premium Pay Factor Applied	\$35.371	1/
Premium Pay Factor	0.989	2/
TY Other mail processing wage rate	\$35.772	3/
Window Service Adjustment Factor	1.075	4/
Window Service Base year wage rate	33.804	5/
Window Service Test year wage rate	36.344	6/
Mail Processing Operation Specific Piggyback Factors		
NMO Sorting at BMC	1.633	7/
Other Operations at BMCs	1.567	7/
Platform BMC	1.664	7/
Primary Parcel Sorting Machine	2.068	7/
Secondary Parcel Sorting Machine	4.923	7/
Sack Sorting Machine - BMC	2.346	7/
NMO Sorting at SCF	1.359	7/
Platform Non-BMC	1.495	7/
NonMODS Allied	1.839	7/
NonMODSMANP	1.684	7/
Window Service Piggyback factor (Parcel Post)	1.129	8/
Mail Flow Operating Assumptions		
Percent with direct transportation to destinating delivery unit from BMC	12.3%	9/
Percent Sorted to 5-Digits by Primary Parcel Sorting Machine	20.1%	10/
Destinating BMCs will feed barcoded destinating mail unfiltered to secondary	20.8%	11/
Probability that mail fed directly to nonspecific secondary will receive more than one sort	50.0%	12/
Probability that barcode on secondary will not be readable	3.0%	13/
Proportion of parcel singulators (SSIU) being at secondary	100.0%	14/
Proportion sent from secondary to primary due to SSIU	3.0%	15/
Probability of Inter-BMC parcel going to primary psm at destination BMC	85.7%	16/
Probability of Inter-BMC parcel being handled by SSIU in destination BMC	94.5%	17/
Probability of Intra-BMC and DBMC parcels going to primary psm (or get keyed)	100.00%	18/
Probability of Intra-BMC and DBMC on secondary psm	79.9%	19/
Probability that NMOs will NOT be inducted on the conveyor system (not used for NMOs over 10)	41.2%	20/
Probability that NMOs will be NOT be moved using towveyor (not used for pallets)	31.4%	20/
Probability that PRS machinable mail pieces are processed on the PPSM	97.4%	21/
Probability that PRS machinable mail pieces are processed on the SPSM	24.8%	21/

Sources

- 1/: (2) x (3).
2/: Docket No. R2005-1, USPS-LR-K-55
3/: Docket No. R2005-1, USPS-LR-K-55
4/: (6) / (5).
5/: Docket No. R2005-1, USPS-LR-K-55
6/: Docket No. R2005-1, USPS-LR-K-55
7/: Docket No. R2005-1, PRC-LR-9
8/: Docket No. R2005-1, PRC-LR-9
9/: USPS LR-PCR-40, page 64.
10/: Docket R2001-1, USPS LR-J-64, Attachment J, page 1, [10].
11/: Docket R2001-1, USPS LR-J-64, Attachment J, page 1, [9].
12/: Assumption that mail going to secondary PSM will be evenly split between scheme 1 and scheme 2.
13/: Assumption used by Operations.
14/: Assumption used by Operations.
15/: (14) x (15).
16/: $[1 - (12)] + [(16) \times (12)] + [(1) - (12)] \times [(1) - (11)] \times (16) + [(11) \times (12) \times [(1) - (16)]]$.
17/: $(12) + [(11) \times (13)] + [1 - (12)] \times [(1) - (11)]$.
18/: $1 + [1 - (11)] \times (16)$.
19/: $1 - (11)$.
20/: Docket R2001-1, USPS LR-J-64, Attachment J, page 1, [11].

Other Inputs

FY 2004 Volumes

	Percents		machinable [3]	NMO		Total [6]
	% mach [1]	% over [2]		(non oversize) [4]	Oversize [5]	
Inter-BMC	94.5%	0.063%	73,627,919	4,217,546	48,858	77,894,322
Intra-BMC	94.3%	0.099%	29,007,959	1,710,042	30,331	30,748,332
DBMC	93.4%	0.094%	81,164,769	5,617,204	81,739	86,863,713
DSCF	93.4%	0.094%	2,787,960	192,948	2,808	2,983,715
DDU	93.4%	0.094%	<u>160,094,387</u>	<u>11,079,720</u>	<u>161,227</u>	<u>171,335,334</u>
Total			346,682,994	22,817,459	324,963	369,825,416

Calculation of Percent of Inter and Intra entered at origin AO

Percent of inter-BMC that is retail	25.6%	1/
Percent of intra-BMC that is retail	38.5%	2/

Average Cubic Feet of Parcel Post

	[7]
Machinable	0.425
Non-machinable	2.777
Oversize	7.938

Sources

Rows (1&2)/: Docket R2001-1, LR-J-64, Attachment A, page 6.

Column [1]: Docket R2001-1, LR-J-67, Attachment A, page 6. Machinable volume / total volume.

Column [2]: Docket R2001-1, LR-J-67, Attachment A, page 6. Nonmachinable volume / total nonmachinable volume.

Column [3]: Column [1] * column [6].

Column [4]: Column [6] - column [3] - column [5].

Column [5]: Column [2] * column [6].

Column [6]: GFY2004 RPW volumes.

Column [7]: Docket No. R2005-1, USPS-LR-K-47

Conversion Factor Calculations

Container Type	Outside Dim. Per Container (Inches) [1]	Inside Dim. Per Container (Inches) [2]	Cubic Feet Per Container [3]	Effective Parcel Capacity (# of Parcels) [4]	Capacity at Average Fullness (# of Parcels) [5]	Average % FULL [6]
Machinable						
Pallet	48x40x48	48x40x48	53.3	125.6	106.8	85%
Postal Pak	48x40x69	46.5x38.5x69	71.5	153.1	130.1	85%
Pallet Box	48x40x69	46.5x38.5x69	71.5	153.1	134.7	88%
Pallet Box (for space)	48x40x70	46.5x38.5x70	71.5	153.1	114.8	75%
Sacks on In-house Container	65x41.5x36	65x41.5x36	56.2	120.3	102.3	85%
NMOs						
Pallet	48x40x48	48x40x48	53.3	19.2	19.2	100%
Pallet Box	48x40x69	46.5x38.5x69	71.5	23.4	19.9	85%
In-house Container	65x41.5x36	65x41.5x36	56.2	18.4	15.6	85%
Oversize NMOs						
108"-130" on Pallet	48x40x48	48x40x48	53.3	6.7	6.7	100%
108"-130" in IHC	65x41.5x36	65x41.5x36	56.2	6.4	6.4	100%

Pieces Per Container	Machinable		Nonmachinable		108"-130"
	R2000-1 (FY98) [7]	R2005-1 (FY04) [8]	R2000-1 (FY98) [9]	R2005-1 (FY04) [10]	R2005-1 (FY04) [11]
Sack	5.1	7.0	n/a	n/a	n/a
Sack in OTR	81.8	112.0	n/a	n/a	n/a
OTR	69.0	94.5	27.1	19.5	6.8
APC	35.7	48.8	14.0	10.1	3.5
Hamper	23.0	31.5	9.0	6.5	2.3

	Cubic Feet Per Parcel Post			No. of Sacks	No. of Sacks
	Machinable [12]	NMO [13]	108"-130" [14]	on IHC [15]	on Postal Pak [16]
R2005-1 (BY04)	0.425	2.777	7.94	14.61	18.59
R2000 (BY98)	0.581	1.992			

Sources

- Columns [1 & 2]: Container Methods, Handbook PO-502 (September 1992), USPS LR-H-133.
- Column [3]: (Length * width * height) / (12*12*12).
- Column [4]: (Column [3]) / ((column [13]) * air factor), to account for "effective cube" and (column [3]) / ((column [14]) * air factor) and (column [3]) / ((column [16]) * air factor).
Air factor =1 for pallets, and 1.1 for all else.
- Column [5]: Effective cubic capacity (column [4]) * average % fullness (column [6]).
- Column [6]: Pallets, postal paks and IHCs should be as full as practicable before dispatch so it is reasonable to assume these containers will be at least 85% full.
The majority of pallet boxes come from mailers who must have 75 percent full boxes, and tend to fill them to maximize capacity.
Therefore 88 percent, the average of 75 and 100 percent was used.
- Column [7]: Docket No. R84-1, Exhibit USPS-141.
- Column [8]: Pieces per container in Docket No. R84-1 (column [7]) * FY82 cubic feet per piece (column [14]) / FY98 cubic feet per piece (column [14]).
- Column [9]: Docket No. R84-1, Exhibit USPS-141.
- Column [10]: Pieces per container in Docket No. R84-1 (column [9]) * FY82 cubic feet per piece (column [14]) / FY98 cubic feet per piece (column [14]).
- Column [11]: Column [10] * column [13] / column [15].
- Column [12]: Attachment C, page 5, column [7], machinable parcels.
- Column [13]: Attachment C, page 5 column [7], non-machinable parcels.
- Column [14]: Attachment C, page 5, column [7], oversize parcels.
- Column [15]: No. of parcels on IHC (column 5) divided by no. of parcels in a sack (column 8).
- Column [16]: No of parcels on a parcel (column5) divided by no. of parcels in a sack (column 8).

Intra-BMC Machinable Mail Processing Cost Model

	[1] # handlings	[2] units/hr	[3] conversion	[4] piggyback	[5] \$ per oper.	[6] \$ per facility
Origin AO¹						\$0.079
Move Containers to Dock	0.3849	29.3	40.1	1.839	\$0.055	\$0.021
Load Containers	0.3849	10.8	40.1	1.839	\$0.150	\$0.058
Origin SCF						\$0.346
Unload Containers ²	1.0000				\$0.043	\$0.043
Crossdock containers	1.0000	7.3	40.1	1.839	\$0.221	\$0.221
Bedload Sacks	0.0434	190.1	7.0	1.495	\$0.040	\$0.002
Bedload loose	0.0696	183.9	1.0	1.495	\$0.287	\$0.020
Load Sacks in OTRs	0.1152	10.8	112.0	1.495	\$0.044	\$0.005
Load Loose in OTRs	0.5108	10.8	94.5	1.495	\$0.052	\$0.026
Load Pallets	0.0160	13.9	106.8	1.495	\$0.036	\$0.001
Load Pallet Boxes	0.0090	13.9	134.7	1.495	\$0.028	\$0.000
Load OWCs	0.2360	10.8	40.1	1.495	\$0.122	\$0.029
Destination BMC						\$0.616
Unload Bedload Sack	0.0434	194.8	7.0	1.664	\$0.043	\$0.002
Unload Bedload Loose	0.0696	648.5	1.0	1.664	\$0.091	\$0.006
Unload Sacks in OTR	0.1152	21.7	112.0	1.664	\$0.024	\$0.003
Unload loose in OTR	0.5108	21.7	94.5	1.664	\$0.029	\$0.015
Unload Pallet	0.0160	12.8	106.8	1.664	\$0.043	\$0.001
Unload Pallet Boxes	0.0090	12.8	134.7	1.664	\$0.034	\$0.000
Unload Other Wheeled Cont.	0.2360	21.7	40.1	1.664	\$0.068	\$0.016
Dump OTR of sacks	0.1152	6.5	112.0	1.567	\$0.077	\$0.009
Dump OTR of loose	0.5108	6.5	94.5	1.567	\$0.091	\$0.046
Dump Pallet	0.0160	6.5	106.8	1.567	\$0.080	\$0.001
Dump Pallet Boxes	0.0090	6.5	134.7	1.567	\$0.064	\$0.001
Dump Other Wheeled Cont.	0.2360	6.5	40.1	1.567	\$0.214	\$0.050
Sack Sorter	0.1586	348.3	7.0	2.346	\$0.034	\$0.005
Sack shakeout	0.1586	72.3	7.0	1.567	\$0.110	\$0.017
PPSM	1.0000	744.9	1.0	2.068	\$0.098	\$0.098
SPSM	0.7991	1664.3	1.0	4.923	\$0.105	\$0.084
Sweep Runouts OTR	0.7327	5.4	94.5	1.567	\$0.108	\$0.079
Sack and Tie	0.2673	125.4	1.0	1.567	\$0.442	\$0.118
Bedload Sacks	0.2384	190.1	7.0	1.664	\$0.044	\$0.011
Load OTRs w/ sacks	0.0289	10.8	112.0	1.664	\$0.048	\$0.001
Load OTRs w/ loose	0.6025	10.8	94.5	1.664	\$0.057	\$0.035
Load Hampers/OWC	0.1302	10.8	40.1	1.664	\$0.135	\$0.018
Destination SCF						\$0.159
Unload Bedload Sacks	0.2091	160.5	7.0	1.495	\$0.047	\$0.010
Unload Sacks in OTR	0.0253	21.7	112.0	1.495	\$0.022	\$0.001
Unload loose in OTR	0.5284	21.7	94.5	1.495	\$0.026	\$0.014
Unload OWC	0.1142	21.7	40.1	1.495	\$0.061	\$0.007
Crossdock IHC (Bedload Sack)	0.2091	7.3	102.3	1.495	\$0.071	\$0.015
Crossdock Sacks in OTR	0.0253	7.3	112.0	1.495	\$0.064	\$0.002
Crossdock loose in OTR	0.5284	7.3	94.5	1.495	\$0.076	\$0.040
Crossdock OWC	0.1142	7.3	40.1	1.495	\$0.180	\$0.021
Bedload Sacks	0.2344	190.1	7.0	1.495	\$0.040	\$0.009
Load OTRs w/ loose	0.5284	10.8	94.5	1.495	\$0.052	\$0.027
Load Hampers/OWC	0.1142	10.8	40.1	1.495	\$0.122	\$0.014
Destination Delivery Unit						\$0.224
Unload Bedload Sacks	0.2673	160.5	7.0	1.495	\$0.047	\$0.013
Unload loose in OTR	0.6025	21.7	94.5	1.495	\$0.026	\$0.016
Unload OWC	0.1302	21.7	40.1	1.495	\$0.061	\$0.008
Dump Sacks	0.2673	107.4	7.0	1.495	\$0.070	\$0.019
Move Containers from Dock	1.0000	29.3	64.0	1.839	\$0.035	\$0.035
Sort Parcels	1.0000	444.1	1.0	1.684	\$0.134	\$0.134
Model Cost						\$1.424

Sources

- Column [1]: Attachment C, page 3 (arrival and dispatch profiles).
- Column [2]: Attachment C, page 2 (units per workhour).
- Column [3]: Attachment C, page 6 (conversion factors).
- Column [4]: Attachment C, page 4 (piggyback factors).
- Column [5]: (TY wage rate * column [4]) / (column [2] * column [3]).
- Column [6]: (column [1] * column [5]).

¹ Number of Handlings at Origin AO from Attachment C, page 5.

² Unload Containers cost at OSCF uses the average cost of unloading containers at origin BMC as proxy.

Intra-BMC Non-machinable Mail Processing Cost Model

	[1] # handlings	[2] units/hr	[3] conversion	[4] piggyback	[5] \$ per oper.	[6] \$ per facility
Origin AO¹						\$0.383
Move Containers to Dock	0.3849	29.3	8.3	1.839	\$0.268	\$0.103
Load Containers	0.3849	10.8	8.3	1.839	\$0.726	\$0.279
Origin SCF						\$1.591
Unload Containers ²	1.0000				\$0.191	\$0.191
Crossdock containers	1.0000	7.3	8.3	1.839	\$1.073	\$1.073
Bedload NMOs	0.0400	183.9	1.0	1.495	\$0.287	\$0.011
Load NMOs in OTRs	0.7250	10.8	19.5	1.495	\$0.251	\$0.182
Load NMOs in OWCs	0.2220	10.8	8.3	1.495	\$0.590	\$0.131
Load NMOs on Pallets	0.0130	13.9	19.2	1.495	\$0.197	\$0.003
Destination BMC						\$1.519
Unload Bedloaded NMOs	0.0400	168.0	1.0	1.664	\$0.350	\$0.014
Unload NMOs in OTRs	0.7250	21.7	19.5	1.664	\$0.139	\$0.101
Unload NMOs in OWC	0.2220	21.7	8.3	1.664	\$0.328	\$0.073
Unload NMOs on Pallets	0.0130	12.8	19.2	1.664	\$0.240	\$0.003
Move IHCs (from bedload)	0.0165	14.7	15.6	1.567	\$0.242	\$0.004
Move OTRs	0.2988	14.7	19.5	1.567	\$0.194	\$0.058
Move OWC	0.0915	14.7	8.3	1.567	\$0.457	\$0.042
Move Pallets	0.0054	14.7	19.2	1.567	\$0.197	\$0.001
D. Primary NMO Sort	1.0000	68.7	1.0	1.633	\$0.842	\$0.842
Move IHCs	0.0405	14.7	18.4	1.567	\$0.206	\$0.008
Move OTRs	0.1681	14.7	19.5	1.567	\$0.194	\$0.033
Move OWC	0.0078	14.7	8.3	1.567	\$0.457	\$0.004
Move Pallets	0.3098	14.7	19.2	1.567	\$0.197	\$0.061
Bedload from IHC	0.1291	183.9	1.0	1.664	\$0.320	\$0.041
Load NMOs in OTRs	0.5363	10.8	19.5	1.664	\$0.279	\$0.150
Load NMOs in OWC	0.0248	10.8	8.3	1.664	\$0.657	\$0.016
Load NMOs on Pallet	0.3098	13.9	19.2	1.664	\$0.220	\$0.068
Destination SCF						\$1.052
Unload Bedload to IHC	0.1291	160.5	1.0	1.495	\$0.329	\$0.043
Unload OTRs	0.5363	21.7	19.5	1.495	\$0.125	\$0.067
Unload OWC	0.0248	21.7	8.3	1.495	\$0.295	\$0.007
Unload Pallet	0.3098	12.8	19.2	1.495	\$0.216	\$0.067
Move IHC	0.1291	14.7	15.6	1.495	\$0.231	\$0.030
Move OTRs	0.5363	14.7	19.5	1.495	\$0.185	\$0.099
Move OWC	0.0248	14.7	8.3	1.495	\$0.436	\$0.011
Move Pallet	0.3098	14.7	19.2	1.495	\$0.188	\$0.058
Manual Sort	1.0000	356.7	1.0	1.359	\$0.135	\$0.135
Move IHC	0.2673	14.7	15.6	1.495	\$0.231	\$0.062
Move OTRs	0.6025	14.7	19.5	1.495	\$0.185	\$0.112
Move OWC	0.1302	14.7	8.3	1.495	\$0.436	\$0.057
Bedload NMOs	0.2673	183.9	1.0	1.495	\$0.287	\$0.077
Load OTRs w/ loose	0.6025	10.8	19.5	1.495	\$0.251	\$0.151
Load Hampers/OWC	0.1302	10.8	8.3	1.495	\$0.590	\$0.077
Destination Delivery Unit						\$0.506
Unload Bedload NMOs	0.2673	160.5	1.0	1.495	\$0.329	\$0.088
Unload loose in OTR	0.6025	21.7	19.5	1.495	\$0.125	\$0.075
Unload OWC	0.1302	21.7	8.3	1.495	\$0.295	\$0.038
Move Containers from Dock	1.0000	29.3	13.1	1.839	\$0.170	\$0.170
Sort Parcels	1.0000	444.1	1.0	1.684	\$0.134	\$0.134

Model Cost \$5.050

Column [1]: Attachment C, page 3 (arrival and dispatch profiles).
 Column [2]: Attachment C, page 2 (units per workhour).
 Column [3]: Attachment C, page 6 (conversion factors).
 Column [4]: Attachment C, page 4 (piggyback factors).
 Column [5]: (TY wage rate * column [4]) / (column [2] * column [3]).
 Column [6]: (column [1] * column [5]).

¹ Number of Handlings at Origin AO from Attachment C, page 5.

² Unload Containers cost at OSCF uses the average cost of unloading containers at origin BMC as proxy.

Intra-BMC Non-machinable Oversize Mail Processing Cost Model
Length plus Girth Between 108" and 130"

	[1] # handlings	[2] units/hr	[3] conversion	[4] piggyback	[5] \$ per oper.	[6] \$ per facility
Origin AO¹						\$1.093
Move Containers to Dock	0.3849	29.3	2.9	1.839	\$0.767	\$0.295
Load Containers	0.3849	10.8	2.9	1.839	\$2.074	\$0.798
Origin SCF						\$4.501
Unload Containers ²	1.0000				\$0.521	\$0.521
Crossdock containers	1.0000	7.3	2.9	1.839	\$3.067	\$3.067
Bedload NMOs	0.0400	183.9	1.0	1.495	\$0.287	\$0.011
Load NMOs in OTRs	0.7250	10.8	6.8	1.495	\$0.716	\$0.519
Load NMOs in OWCs	0.2220	10.8	2.9	1.495	\$1.686	\$0.374
Load NMOs on Pallets	0.0130	13.9	6.7	1.495	\$0.564	\$0.007
Destination BMC						\$3.028
Unload Bedloaded to IHC	0.0400	160.5	1.0	1.664	\$0.367	\$0.015
Unload NMOs in OTRs	0.7250	21.7	6.8	1.664	\$0.399	\$0.289
Unload NMOs in OWC	0.2220	21.7	2.9	1.664	\$0.938	\$0.208
Unload NMOs on Pallets	0.0130	12.8	6.7	1.664	\$0.686	\$0.009
Move IHC	0.0400	14.7	6.4	1.567	\$0.587	\$0.023
Move OTR	0.7250	14.7	6.8	1.567	\$0.556	\$0.403
Move OWC	0.2220	14.7	2.9	1.567	\$1.307	\$0.290
Move Pallet	0.0130	14.7	6.7	1.567	\$0.563	\$0.007
D. Primary NMO Sort	1.0000	68.7	1.0	1.633	\$0.842	\$0.842
Move IHC	0.0125	14.7	6.4	1.567	\$0.587	\$0.007
Move OTR	0.2273	14.7	6.8	1.567	\$0.556	\$0.126
Move OWC	0.0696	14.7	2.9	1.567	\$1.307	\$0.091
Move Pallet	0.0130	14.7	6.7	1.567	\$0.563	\$0.007
Bedload from IHC	0.1291	183.9	1.0	1.664	\$0.320	\$0.041
Load NMOs in OTRs	0.5363	10.8	6.8	1.664	\$0.798	\$0.428
Load NMOs on Pallet	0.3098	13.9	6.7	1.664	\$0.628	\$0.195
Load NMOs in OWC	0.0248	10.8	2.9	1.664	\$1.877	\$0.047
Destination SCF						\$2.494
Unload Bedload to IHC	0.1291	160.5	1.0	1.495	\$0.329	\$0.043
Unload OTRs	0.5363	21.7	6.8	1.495	\$0.358	\$0.192
Unload Pallet	0.3098	12.8	6.7	1.495	\$0.616	\$0.191
Unload OWC	0.0248	21.7	2.9	1.495	\$0.843	\$0.021
Move IHC	0.1291	14.7	6.4	1.495	\$0.560	\$0.072
Move OTRs	0.5363	14.7	6.8	1.495	\$0.530	\$0.284
Move Pallet	0.3098	14.7	6.7	1.495	\$0.537	\$0.166
Move OWC	0.0248	14.7	2.9	1.495	\$1.247	\$0.031
Manual Sort	1.0000	356.7	1.0	1.359	\$0.135	\$0.135
Move IHC	0.2673	14.7	6.4	1.495	\$0.560	\$0.150
Move OTRs	0.6025	14.7	6.8	1.495	\$0.530	\$0.319
Move OWC	0.1302	14.7	2.9	1.495	\$1.247	\$0.162
Bedload NMOs	0.2673	183.9	1.0	1.495	\$0.287	\$0.077
Load OTRs w/ loose	0.6025	10.8	6.8	1.495	\$0.716	\$0.432
Load Hampers/OWC	0.1302	10.8	2.9	1.495	\$1.686	\$0.219
Destination Delivery Unit						\$1.015
Unload Bedload NMOs	0.2673	160.5	1.0	1.495	\$0.329	\$0.088
Unload loose in OTR	0.6025	21.7	6.8	1.495	\$0.358	\$0.216
Unload OWC	0.1302	21.7	2.9	1.495	\$0.843	\$0.110
Move Containers from Dock	1.0000	29.3	4.7	1.839	\$0.468	\$0.468
Sort Parcels	1.0000	444.1	1.0	1.684	\$0.134	\$0.134

Model Cost **\$12.132**

Sources

- Column [1]: Attachment C, page 3 (arrival and dispatch profiles).
- Column [2]: Attachment C, page 2 (units per workhour).
- Column [3]: Attachment C, page 6 (conversion factors).
- Column [4]: Attachment C, page 4 (piggyback factors).
- Column [5]: (TY wage rate * column [4]) / (column [2] * column [3]).
- Column [6]: (column [1] * column [5]).

¹ Number of Handlings at Origin AO from Attachment C, page 5.

² Unload Containers cost at OSCF uses the average cost of unloading containers at origin BMC as proxy.

RBMC Machinable Mail Processing Cost Model

	[1] # handlings	[2] units/hr	[3] conversion	[4] piggyback	[5] \$ per oper.	[6] \$ per facility
Origin AO¹						\$0.205
Move Containers to Dock	1.0000	29.3	40.1	1.839	\$0.055	\$0.055
Load Containers	1.0000	10.8	40.1	1.839	\$0.150	\$0.150
Origin SCF						\$0.346
Unload Containers ²	1.0000				\$0.043	\$0.043
Crossdock containers	1.0000	7.3	40.1	1.839	\$0.221	\$0.221
Bedload Sacks	0.0434	190.1	7.0	1.495	\$0.040	\$0.002
Bedload loose	0.0696	183.9	1	1.495	\$0.287	\$0.020
Load Sacks in OTRs	0.1152	10.8	112.0	1.495	\$0.044	\$0.005
Load Loose in OTRs	0.5108	10.8	94.5	1.495	\$0.052	\$0.026
Load Pallets	0.0160	13.9	106.8	1.495	\$0.036	\$0.001
Load Pallet Boxes	0.0090	13.9	134.7	1.495	\$0.028	\$0.000
Load OWCs	0.2360	10.8	40.1	1.495	\$0.122	\$0.029
Destination BMC						\$0.354
Unload Bedload Sack	0.0434	194.8	7.0	1.664	\$0.043	\$0.002
Unload Bedload Loose	0.0696	648.5	1.0	1.664	\$0.091	\$0.006
Unload Sacks in OTR	0.1152	21.7	112.0	1.664	\$0.024	\$0.003
Unload loose in OTR	0.5108	21.7	94.5	1.664	\$0.029	\$0.015
Unload Pallet	0.0160	12.8	106.8	1.664	\$0.043	\$0.001
Unload Pallet Boxes	0.0090	12.8	134.7	1.664	\$0.034	\$0.000
Unload Other Wheeled Cont.	0.2360	21.7	40.1	1.664	\$0.068	\$0.016
Dump OTR of sacks	0.1152	6.5	112.0	1.567	\$0.077	\$0.009
Dump OTR of loose	0.5108	6.5	94.5	1.567	\$0.091	\$0.046
Dump Pallet	0.0160	6.5	106.8	1.567	\$0.080	\$0.001
Dump Pallet Boxes	0.0090	6.5	134.7	1.567	\$0.064	\$0.001
Dump Other Wheeled Cont.	0.2360	6.5	40.1	1.567	\$0.214	\$0.050
Sack Sorter	0.1586	348.3	7.0	2.346	\$0.034	\$0.005
Sack shakeout	0.1586	72.3	7.0	1.567	\$0.110	\$0.017
PPSM	0.9736	744.9	1.0	2.068	\$0.098	\$0.096
SPSM	0.2482	1664.3	1.0	4.923	\$0.105	\$0.026
Move Pallets	1.0000	14.7	134.7	1.567	\$0.028	\$0.028
Load Pallet Boxes	1.0000	13.9	134.7	1.664	\$0.031	\$0.031

Model Cost	\$0.905
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Sources

- Column [1]: Attachment C, page 3 (arrival and dispatch profiles).
- Column [2]: Attachment C, page 2 (units per workhour).
- Column [3]: Attachment C, page 6 (conversion factors).
- Column [4]: Attachment C, page 4 (piggyback factors).
- Column [5]: (TY wage rate * column [4]) / (column [2] * column [3]).
- Column [6]: (column [1] * column [5]).

¹Assumption that all RBMC will be entered at origin AO.

²Unload Containers cost at OSCF uses the average cost of unloading containers at origin BMC as proxy.

RBMC Non-machinable Mail Processing Cost Model

	[1] # handlings	[2] units/hr	[3] conversion	[4] piggyback	[5] \$ per oper.	[6] \$ per facility
Origin AO¹						\$0.994
Move Containers to Dock	1.0000	29.3	8.3	1.839	\$0.268	\$0.268
Load Containers	1.0000	10.8	8.3	1.839	\$0.726	\$0.726
Origin SCF						\$1.591
Unload Containers ²	1.0000				\$0.191	\$0.191
Crossdock containers	1.0000	7.3	8.3	1.839	\$1.073	\$1.073
Bedload NMOs	0.0400	183.9	1.0	1.495	\$0.287	\$0.011
Load NMOs in OTRs	0.7250	10.8	19.5	1.495	\$0.251	\$0.182
Load NMOs in OWCs	0.2220	10.8	8.3	1.495	\$0.590	\$0.131
Load NMOs on Pallets	0.0130	13.9	19.2	1.495	\$0.197	\$0.003
Destination BMC						\$1.403
Unload Bedloaded NMOs	0.0400	168.0	1.0	1.664	\$0.350	\$0.014
Unload NMOs in OTRs	0.7250	21.7	19.5	1.664	\$0.139	\$0.101
Unload NMOs in OWC	0.2220	21.7	8.3	1.664	\$0.328	\$0.073
Unload NMOs on Pallets	0.0130	12.8	19.2	1.664	\$0.240	\$0.003
Move IHCs (from bedload)	0.0165	14.7	15.6	1.567	\$0.242	\$0.004
Move OTRs	0.2988	14.7	19.5	1.567	\$0.194	\$0.058
Move OWC	0.0915	14.7	8.3	1.567	\$0.457	\$0.042
Move Pallets	0.0054	14.7	19.2	1.567	\$0.197	\$0.001
D. Primary NMO Sort	1.0000	68.7	1.0	1.633	\$0.842	\$0.842
Move Pallets	1.0000	14.7	19.2	1.567	\$0.197	\$0.197
Load NMOs on Pallet	0.3098	13.9	19.2	1.664	\$0.220	\$0.068

Model Cost	\$3.988
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Sources

- Column [1]: Attachment C, page 3 (arrival and dispatch profiles).
 Column [2]: Attachment C, page 2 (units per workhour).
 Column [3]: Attachment C, page 6 (conversion factors).
 Column [4]: Attachment C, page 4 (piggyback factors).
 Column [5]: (TY wage rate * column [4]) / (column [2] * column [3]).
 Column [6]: (column [1] * column [5]).

¹Assumption that all RBMC will be entered at origin AO.

²Unload Containers cost at OSCF uses the average cost of unloading containers at origin BMC as proxy.

RBMC Non-machinable Oversize Mail Processing Cost Model
Length plus Girth Between 108" and 130"

	[1] # handlings	[2] units/hr	[3] conversion	[4] piggyback	[5] \$ per oper.	[6] \$ per facility
Origin AO¹						\$2.841
Move Containers to Dock	1.0000	29.3	2.9	1.839	\$0.767	\$0.767
Load Containers	1.0000	10.8	2.9	1.839	\$2.074	\$2.074
Origin SCF						\$4.501
Unload Containers ²	1.0000				\$0.521	\$0.521
Crossdock containers	1.0000	7.3	2.9	1.839	\$3.067	\$3.067
Bedload NMOs	0.0400	183.9	1.0	1.495	\$0.287	\$0.011
Load NMOs in OTRs	0.7250	10.8	6.8	1.495	\$0.716	\$0.519
Load NMOs in OWCs	0.2220	10.8	2.9	1.495	\$1.686	\$0.374
Load NMOs on Pallets	0.0130	13.9	6.7	1.495	\$0.564	\$0.007
Destination BMC						\$3.086
Unload Bedloaded to IHC	0.0400	160.5	1.0	1.664	\$0.367	\$0.015
Unload NMOs in OTRs	0.7250	21.7	6.8	1.664	\$0.399	\$0.289
Unload NMOs in OWC	0.2220	21.7	2.9	1.664	\$0.938	\$0.208
Unload NMOs on Pallets	0.0130	12.8	6.7	1.664	\$0.686	\$0.009
Move IHC	0.0400	14.7	6.4	1.567	\$0.587	\$0.023
Move OTR	0.7250	14.7	6.8	1.567	\$0.556	\$0.403
Move OWC	0.2220	14.7	2.9	1.567	\$1.307	\$0.290
Move Pallet	0.0130	14.7	6.7	1.567	\$0.563	\$0.007
D. Primary NMO Sort	1.0000	68.7	1.0	1.633	\$0.842	\$0.842
Move Pallet	1.0000	14.7	8.0	1.567	\$0.473	\$0.473
Load NMOs on Pallet	1.0000	13.9	8.0	1.664	\$0.528	\$0.528
Model Cost						\$10.428

Sources

- Column [1]: Attachment C, page 3 (arrival and dispatch profiles).
- Column [2]: Attachment C, page 2 (units per workhour).
- Column [3]: Attachment C, page 6 (conversion factors).
- Column [4]: Attachment C, page 4 (piggyback factors).
- Column [5]: (TY wage rate * column [4]) / (column [2] * column [3]).
- Column [6]: (column [1] * column [5]).

¹Assumption that all RBMC will be entered at origin AO.

²Unload Containers cost at OSCF uses the average cost of unloading containers at origin BMC as proxy.

RDU Machinable Mail Processing Cost Model

	[1] # handlings	[2] units/hr	[3] conversion	[4] piggyback	[5] \$ per oper.	[6] \$ per facility
Origin AO						\$0.189
Sort by Shipper ID	1.0000	444.1	1.0	1.684	\$0.134	\$0.134
Move Containers to Dock	1.0000	29.3	40.1	1.839	\$0.055	\$0.055
Load Containers	0.0000	10.8	40.1	1.839	\$0.150	\$0.000
Model Cost						\$0.189

Sources

- Column [1]: All RDU parcels will be sorted to shipper and moved to dock (USPS-T-1, Section VII).
- Column [2]: Attachment C, page 2 (units per workhour).
- Column [3]: Attachment C, page 6 (conversion factors).
- Column [4]: Attachment C, page 4 (piggyback factors).
- Column [5]: (TY wage rate * column [4]) / (column [2] * column [3]).
- Column [6]: (column [1] * column [5]).

RDU Non-machinable Mail Processing Cost Model

	[1] # handlings	[2] units/hr	[3] conversion	[4] piggyback	[5] \$ per oper.	[6] \$ per facility
Origin AO						\$0.402
Sort by Shipper ID	1.0000	444.1	1.0	1.684	\$0.134	\$0.134
Move Containers to Dock	1.0000	29.3	8.3	1.839	\$0.268	\$0.268
Load Containers	0.0000	10.8	8.3	1.839	\$0.726	\$0.000
Model Cost						\$0.402

- Column [1]: All RDU parcels will be sorted to shipper and moved to dock (USPS-T-1, Section VII).
- Column [2]: Attachment C, page 2 (units per workhour).
- Column [3]: Attachment C, page 6 (conversion factors).
- Column [4]: Attachment C, page 4 (piggyback factors).
- Column [5]: (TY wage rate * column [4]) / (column [2] * column [3]).
- Column [6]: (column [1] * column [5]).

RDU Oversize Mail Processing Cost Model
Length plus Girth Between 108" and 130"

	[1] # handlings	[2] units/hr	[3] conversion	[4] piggyback	[5] \$ per oper.	[6] \$ per facility
Origin AO						\$0.901
Sort by Shipper ID	1.0000	444.1	1.0	1.684	\$0.134	\$0.134
Move Containers to Dock	1.0000	29.3	2.9	1.839	\$0.767	\$0.767
Load Containers	0.0000	10.8	2.9	1.839	\$2.074	\$0.000
Model Cost						\$0.901

Sources

- Column [1]: All RDU parcels will be sorted to shipper and moved to dock (USPS-T-1, Section VII).
- Column [2]: Attachment C, page 2 (units per workhour).
- Column [3]: Attachment C, page 6 (conversion factors).
- Column [4]: Attachment C, page 4 (piggyback factors).
- Column [5]: (TY wage rate * column [4]) / (column [2] * column [3]).
- Column [6]: (column [1] * column [5]).

Storage Cost Estimates

	Mail Category			
	Machinable	Non-Machinable	Oversize	
# of pieces in Container (Pallet Box)	134.7	19.9	6.7	1/
Total Square Feet taken up by one container	13.3	13.3	13.3	2/
Cost of Space (\$/sf) - Annual	\$20.788	\$20.788	\$20.788	3/
Space Variability	1.000	1.000	1.000	4/
Space Support Factor	1.354	1.354	1.354	5/
Cost of Space (\$/sf) - Annual	\$28.153	\$28.153	\$28.153	6/
Cost per square foot - Daily (303 days)	\$0.093	\$0.093	\$0.093	7
Cost per Container	\$1.239	\$1.239	\$1.239	8/
Cost per piece per day	\$0.009	\$0.062	\$0.184	9
Storage Days Required				
RBMC	1.834	1.834	1.834	10/
RDU	5.000	5.000	5.000	11/
Cost by PRS Rate Category				
RBMC	\$0.017	\$0.114	\$0.338	12/
RDU	\$0.046	\$0.311	\$0.922	13/

Sources

1/: Attachment C, page 6 (Conversion factors).

2/: Calculation using dimensions of containers.

3/: Docket No. R2005-1, PRC-LR-6, file "PRC MPPG TY06.XLS", worksheet G2, cell E43.

Note: This value appears to be incorrect. The calculation should include building and leasehold depreciation (as well as rents, utilities, and other facilities space-related costs). The PRC calculation on sheet G2 has erroneously included equipment depreciation, rather than building and leasehold depreciation. When this error is corrected, the value becomes \$17.277.

4/: Variability assumption implicit in data filed in Docket No. R2001-1.

5/: Docket No. R94-1, LR-G-120A, Schedule 5, page 1, line 39 and Schedule 4, page 1, line 44.

6/: (3) x (4) x (5).

7/: (6) / 303 days.

8/: (2) x (7).

9/: (8) / (1).

10/: August 2005 BMC PRS Survey

11/: Assumption from Product Definition (mailers must pick up RDU parcels every 5 days).

12/: (9) x (10).

13/: (9) x (11).

Transportation Cost Estimate Summary

PRR Rate Category	Benchmark	Total Cost Impact per Cubic Foot [1]	Average Cubic Feet per Piece [2]	Total Cost Impact per Piece [3]
RBMC - Machinable	Intra-BMC	(\$2.218)	0.425	(\$0.942)
RBMC - Non-machinable	Intra-BMC	(\$2.218)	2.777	(\$6.160)
RBMC - Oversize	Intra-BMC	(\$2.218)	7.938	(\$17.604)
RDU - Machinable	Intra-BMC Local	(\$2.449)	0.425	(\$1.040)
RDU - Non-machinable	Intra-BMC Local	(\$2.449)	2.777	(\$6.802)
RDU - Oversize	Intra-BMC Local	(\$2.449)	7.938	(\$19.440)

Sources

[1]: Attachment E, page 2.

[2]: Attachment C, page 5.

[3]: [1] x [2].

Transportation Cost Difference Estimates

Assumed Legs of Transportation [1]

		Local	Intermediate	Long Distance
Intra-BMC	[1a]	1.951	1.947	0.000
RBMC	[1b]	1.000	1.000	0.000
RDU	[1c]	0.000	0.000	0.000

Benchmark Transportation Cost per Cubic Foot [2]

Zone	Intra-BMC			
	Local	Intermediate	Long Distance	Total
Local	\$1.238	\$1.211	N/A	\$2.449
1-2	\$2.134	\$2.422	N/A	\$4.555
3	\$2.134	\$2.422	N/A	\$4.555
4	\$2.134	\$2.422	N/A	\$4.555
5	\$2.134	\$2.422	N/A	\$4.555
6	N/A	N/A	N/A	N/A
7	N/A	N/A	N/A	N/A
8	N/A	N/A	N/A	N/A

PRS Transportation Cost per Cubic Foot [3]

(Benchmark) Zone	RBMC (Intra-BMC)				RDU (Intra-BMC)			
	Local	Intermediate	Long Distance	Total	Local	Intermediate	Long Distance	Total
Local	\$0.635	\$0.622	N/A	\$1.257	\$0.000	\$0.000	N/A	\$0.000
zone 1-2	\$1.094	\$1.244	N/A	\$2.338	\$0.000	\$0.000	N/A	\$0.000
3	\$1.094	\$1.244	N/A	\$2.338	\$0.000	\$0.000	N/A	\$0.000
4	\$1.094	\$1.244	N/A	\$2.338	\$0.000	\$0.000	N/A	\$0.000
5	\$1.094	\$1.244	N/A	\$2.338	\$0.000	\$0.000	N/A	\$0.000
6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

PRS Transportation Cost Impact per Cubic Foot [4]

(Benchmark) Zone	RBMC (Intra-BMC)				RDU (Intra-BMC)			
	Local	Intermediate	Long Distance	Total	Local	Intermediate	Long Distance	Total
Local	(\$0.604)	(\$0.589)	N/A	(\$1.192)	(\$1.238)	(\$1.211)	N/A	(\$2.449)
1-2	(\$1.040)	(\$1.178)	N/A	(\$2.218)	(\$2.134)	(\$2.422)	N/A	(\$4.555)
3	(\$1.040)	(\$1.178)	N/A	(\$2.218)	(\$2.134)	(\$2.422)	N/A	(\$4.555)
4	(\$1.040)	(\$1.178)	N/A	(\$2.218)	(\$2.134)	(\$2.422)	N/A	(\$4.555)
5	(\$1.040)	(\$1.178)	N/A	(\$2.218)	(\$2.134)	(\$2.422)	N/A	(\$4.555)
6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources

[1]: Assumed average number of legs of transportation.

[1a]: Docket No. R2005-1, USPS LR-K-113, Attachment B, page 9.

[1b]: RBMC will travel from origin AO to origin SCF (1 local leg) and from origin SCF to origin BMC (1 intermediate leg).

[1c]: Since mailers pick up RDU at origin AO, it will not incur any transportation legs.

[2]: Docket No. R2005-1, USPS LR-K-113, Attachment B, page 11.

[3]: Ratio of PSRS Rate Category transportation legs [1b&1c] to benchmark [1a] multiplied by benchmark cost [2].

[4]: PSRS transportation cost per cubic foot [3] minus benchmark transportation cost per cubic foot [2].

Scanning Cost Estimates

PRC Rate Category	Transaction Time (hours)	Wage Rate	Piggyback Factor	Cost per active scan	Number of active scans	Scan Cost
	[1]	[2]	[3]	[4]	[5]	[6]
RBMC - Machinable	0.0007	\$35.371	1.592	\$0.038	0	\$0.000
RBMC - Non-machinable	0.0007	\$35.371	1.592	\$0.038	0	\$0.000
RBMC - Oversize	0.0007	\$35.371	1.592	\$0.038	0	\$0.000
RDU - Machinable	0.0007	\$35.371	1.592	\$0.038	2	\$0.077
RDU - Non-machinable	0.0007	\$35.371	1.592	\$0.038	2	\$0.077
RDU - Oversize	0.0007	\$35.371	1.592	\$0.038	3	\$0.115

Sources

[1]: Docket No. R2000-1, USPS-T-30, Section A, Data Sheet A-8

[2]: Attachment C, page 4. Premium Pay Adjusted Wage Rate.

[3]: Docket No. R2005-1, PRC-LR-6, file "PRC MPPG TY06.XLS", worksheet A, cell M49

[4]: [1] x [2] x [3]. Follows methodology shown in Docket No. R2001-1 LR-J-135.

[5]: Assumption taken from USPS product description.

[6]: [4] x [5].

Postage Due Cost Estimates

RBMC	Value
Average Time per piece (minutes)	6.018 1/
Average Time per piece (hours)	0.100 2/
Wage Rate	\$35.371 3/
Piggyback Factor	1.378 4/
Postage Due Cost (for sampled parcels)	\$4.890 5/
Sampling Ratio	1.5% 6/
Postage Due Cost (for all parcels)	\$0.073 7/
RDU	\$0.000 8/

Sources

1/: Attachment H, page 4, column 7

2/: (1) / 60 minutes.

3/: Attachment C, page 4

4/: Docket No. R2005-1, PRC-LR-6, file "PRC MPPG TY06.XLS", worksheet A, cell M37

5/: (2) x (3) x (4).

6/: Attachment G, page 2

7/: (5) x (6).

8/: Assumed to be insignificant postage due costs since information from the scanned barcodes will generate a daily postage due manifest.

Postage Due Sampling Ratio

USPS Sample Size by Volume Range [1]

Volume		Pieces
Lower Bound	Upper Bound	
1	19	All pieces
20	99	20 % of pieces
100	199	15 % of pieces
200	299	10% of pieces
300	1,999	30 pieces
2,000	3,999	40 pieces
4,000	5,999	50 pieces
6,000	7,999	60 pieces
8,000	9,999	70 pieces
10,000	99,999	100 pieces
100,000	499,999	150 pieces
500,000	up	200 pieces

Daily Return Volume (5-day week) [2]

BMC	Pieces	Sample Size	Sampling Ratio
	[2]	[3]	[4]
Site A	2,500	40	1.6%
Site B	3,200	40	1.3%
Site C	1,100	30	2.7%
Site D	2,200	40	1.8%
Site E	4,400	50	1.1%
Total	13,400	200	1.5%

Sources

[1]: Supplied by the Business Mailer's Support HQ division.

[2]: Average returns per BMC per 5-day week.

Data collected by Marketing for existing customer

Data was collected in the Fall of 2002.

Postage Due

USPS Return Technician	Location A [1]										
	A	B	C	D	E	F	G	H	I	J	K
Pieces	30	30	30	30	30	30	30	30	30	30	30
Set Up	25	15	15	15	6	15	15	20	20	20	15
Selecting Samples	15	15	50	30	3	7	1	2	2	30	10
Weighing / Recording Samples	35	10	15	30	18	60	33	20	67	25	25
Matching Worksheet to Manifest	80	120	100	120	--	95	45	25	105	165	55
Validating Postage Statement to Manifest											
Transferring Postage Statement to Post Office											
Other (explanation)		135 meeting									
Post Office Tasks											
Permit System Entry of Postage Due	5	5	5	5	15	15	10	--	15	5	5
TOTAL											

Sources

- [1] through [4]: Data collected directly through survey.
- [5]: Only includes volume when have entered data.
- [6]: Sum of each row.
- [7]: [6] / [5].

Postage Due

USPS Return Technician	Location B [2]								
	A	B	C	D	E	F	G	H	I
Pieces	30	30	30	30	30	30	30	30	30
Set Up	2	2	5	2	3	2	2	2	2
Selecting Samples	10	6	14	6	7	8	8	8	4
Weighing / Recording Samples	20	35	9	21	20	30	20	28	16
Matching Worksheet to Manifest	25	21	30	22	27	25	28	25	18
Validating Postage Statement to Manifest	5	4	9	6	8	5	6	5	4
Transferring Postage Statement to Post Office	5	5	5	6	5	5	36	5	4
Other (explanation)									
Post Office Tasks									
Permit System Entry of Postage Due	5	8	7	15	15	10	5	5	15
TOTAL									

Sources

- [1] through [4]: Data collected directly through s
- [5]: Only includes volume when have entered d
- [6]: Sum of each row.
- [7]: [6] / [5].

Postage Due

USPS Return Technician	Location C [3] ¹							
	A	B	C	D	E	H ²	I	J
Pieces	45	40	45	50	50	80	40	40
Set Up	5	10	15	5	20	5	10	10
Selecting Samples	10	10	10	15	10	20	5	10
Weighing / Recording Samples	35	30	30	30	25	120	35	30
Matching Worksheet to Manifest	30	30	30	30	30	30	30	30
Validating Postage Statement to Manifest								
Transferring Postage Statement to Post Office								
Other	10	5	10	10	10			
(explanation)	travel	travel	travel	travel	travel			
Post Office Tasks								
Permit System Entry of Postage Due	10	10	15	10	30			
TOTAL								

Sources

[1] through [4]: Data collected directly through s
 [5]: Only includes volume when have entered d
 [6]: Sum of each row.
 [7]: [6] / [5].

Postage Due

	Location D [4]												
USPS Return Technician	A	B	C	D	E	F	G	H	I	J	K	L	M
Pieces	30	30	30	30	30	30	30	30	30	30	30	30	30
Set Up	55	35	25	25	30	30	21	29	30	31	30	20	30
Selecting Samples	34	30	--	31	45	25	34	--	63	45	33	32	40
Weighing / Recording Samples	38	28	35	85	70	55	87	65	65	70	37	85	75
Matching Worksheet to Manifest	80	70	70	95	75	67	92	75	80	75	65	90	105
Validating Postage Statement to Manifest	30	40	35	35	35	18	38	50	20	20	20	35	32
Transferring Postage Statement to Post Office													
Other (explanation)													
Post Office Tasks													
Permit System Entry of Postage Due													
TOTAL													

Sources

- [1] through [4]: Data collected directly through s
- [5]: Only includes volume when have entered d
- [6]: Sum of each row.
- [7]: [6] / [5].

Postage Due

	Volume	Time	
		Total	Per piece
USPS Return Technician	[5]	[6]	[7]
Pieces			
Set Up	1380	674	0.488
Selecting Samples	1320	738	0.559
Weighing / Recording Samples	1380	1667	1.208
Matching Worksheet to Manifest	1350	2410	1.785
Validating Postage Statement to Manifest	660	460	0.697
Transferring Postage Statement to Post Office	270	76	0.281
Other (explanation)	260	180	0.692
Post Office Tasks			
Permit System Entry of Postage Due	800	245	0.306
TOTAL			6.018

Sources

- [1] through [4]: Data collected directly through s
 [5]: Only includes volume when have entered d
 [6]: Sum of each row.
 [7]: [6] / [5].

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
December 1, 2005