



## **PUBLIC COST AND REVENUE ANALYSIS**

**Fiscal Year 2013**

**FINANCE**





**PUBLIC COST AND REVENUE ANALYSIS**

Fiscal Year 2013

(in millions)

Mail Classes and Products (note 1)	(in millions)				(per piece)			
	Revenue	Attributable	Volume	Product	Revenue	Attributable	Contribution	Cost
	(note 1)	Cost	Variable Cost	Specific Cost	\$	Cost \$	\$	Coverage
	A	B	C	F	D	E	(D-E)	(D/E)
<b>MARKET DOMINANT PRODUCTS</b>								
<b>First-Class Mail:</b>								
Single-Piece Letters.....	\$10,126.2	\$5,905.2	\$5,876.8	\$28.4	\$0.472	\$0.275	\$0.197	171.48%
Single-Piece Postcards.....	350.8	291.4	290.0	1.4	0.334	0.278	\$0.057	120.37%
Total Single-Piece Letters and Cards.....	10,476.9	6,196.7	6,166.9	29.8	0.466	0.275	\$0.190	169.07%
Presort Letters.....	14,317.5	4,604.6	4,595.7	8.9	0.370	0.119	\$0.251	310.94%
Presort Cards.....	586.9	195.4	194.8	0.6	0.243	0.081	\$0.162	300.40%
Total Presort Letters and Cards.....	14,904.4	4,800.0	4,790.6	9.4	0.362	0.117	\$0.246	310.51%
Flats.....	2,513.4	1,685.7	1,683.8	1.8	1.327	0.890	\$0.437	149.10%
Parcels.....	578.7	583.5	583.5	0.0	2.341	2.361	(\$0.019)	99.18%
First-Class NSAs.....	77.5	22.8	22.8	-	0.363	0.107	\$0.256	339.30%
Outbound Single-Piece First-Class Mail Int'l.....	457.6	321.5	321.0	0.5	1.977	1.389	\$0.588	142.33%
Inbound Single-Piece First-Class Mail Int'l.....	149.5	228.0	227.5	0.5	0.662	1.010	(\$0.348)	65.58%
Fees (note 2).....	136.2	-	-	-	-	-	-	-
<b>Total First-Class.....</b>	<b>29,294.3</b>	<b>13,838.2</b>	<b>13,796.2</b>	<b>42.0</b>	<b>0.441</b>	<b>0.208</b>	<b>\$0.233</b>	<b>211.69%</b>
<b>Standard Mail:</b>								
High Density and Saturation Letters.....	805.2	341.4	339.7	1.7	0.141	0.060	\$0.081	235.84%
High Density and Saturation Flats and Parcels.....	1,929.8	842.7	839.3	3.4	0.170	0.074	\$0.096	229.01%
Carrier Route.....	2,372.7	1,778.7	1,775.8	2.8	0.250	0.187	\$0.062	133.40%
Letters.....	9,261.3	4,902.9	4,888.7	14.2	0.198	0.105	\$0.093	188.89%
Flats.....	2,134.1	2,514.2	2,512.6	1.6	0.383	0.452	(\$0.068)	84.88%
Parcels.....	70.3	109.6	109.6	0.0	0.977	1.524	(\$0.547)	64.13%
Standard Mail NSAs.....	217.0	93.1	93.1	-	-	-	-	-
Every Door Direct Mail Retail.....	138.4	38.5	38.3	0.2	0.142	0.039	\$0.103	359.92%
Fees (note 2).....	56.2	-	-	-	-	-	-	-
<b>Total Standard Mail.....</b>	<b>16,985.2</b>	<b>10,621.1</b>	<b>10,597.2</b>	<b>23.9</b>	<b>0.215</b>	<b>0.135</b>	<b>\$0.081</b>	<b>159.92%</b>
<b>Periodicals:</b>								
In County.....	65.4	87.0	86.9	0.1	0.108	0.144	(\$0.036)	75.18%
Outside County (note 2).....	1,586.1	2,092.1	2,091.5	0.5	0.276	0.363	(\$0.088)	75.82%
Fees (note 2).....	6.7	-	-	-	-	-	-	-
<b>Total Periodicals.....</b>	<b>1,658.2</b>	<b>2,179.0</b>	<b>2,178.5</b>	<b>0.6</b>	<b>0.261</b>	<b>0.343</b>	<b>(\$0.082)</b>	<b>76.10%</b>
<b>Package Services:</b>								
Parcel Post.....	317.6	330.6	330.6	0.1	11.077	11.531	(\$0.453)	96.07%
Alaska Bypass.....	21.5	10.3	10.3	-	24.437	11.721	\$12.716	208.49%
Inbound Surface Parcel Post (at UPU Rates).....	16.5	10.8	10.8	-	19.930	12.976	\$6.954	153.59%
Bound Printed Matter Flats.....	184.8	130.4	130.0	0.4	0.805	0.568	\$0.237	141.67%
Bound Printed Matter Parcels.....	274.6	263.1	262.7	0.4	1.269	1.216	\$0.053	104.35%
Media and Library Mail (note 2).....	316.4	372.4	372.2	0.2	3.348	3.940	(\$0.592)	84.97%
Fees (note 2).....	2.9	-	-	-	-	-	-	-
<b>Total Package Services.....</b>	<b>1,134.3</b>	<b>1,117.7</b>	<b>1,116.5</b>	<b>1.1</b>	<b>1.987</b>	<b>1.958</b>	<b>\$0.029</b>	<b>101.49%</b>
International Negotiated Service Agreements.....	133.2	148.0	147.7	0.3	0.821	0.912	(\$0.092)	89.96%
Free Mail - blind, handicapped & servicemen.....	-	38.5	38.5	-	-	0.705	(\$0.705)	-
<b>Total Market Dominant Mail.....</b>	<b>49,205.1</b>	<b>27,942.5</b>	<b>27,874.5</b>	<b>67.9</b>	<b>0.321</b>	<b>0.182</b>	<b>\$0.139</b>	<b>176.09%</b>

See accompanying notes.

**PUBLIC COST AND REVENUE ANALYSIS**

Fiscal Year 2013

(in millions)

(per piece)

Mail Classes and Products (note 1)	(in millions)				(per piece)			
	Revenue (note 1)	Attributable Cost (note 2)	Volume Variable Cost (note 2)	Product Specific Cost (note 2)	Revenue \$	Attributable Cost \$ (note 2)	Contribution \$ (note 2)	Cost Coverage (note 2)
	A	B	C	F	D	E	(D-E)	(D/E)
<b>MARKET DOMINANT SERVICES</b>								
<b>Ancillary Services</b>								
Certified Mail.....	715.0	535.2	534.9	0.3	3.056	2.288	\$0.769	133.59%
COD.....	4.4	3.7	3.7	0.0	9.111	7.609	\$1.502	119.74%
Insurance.....	108.4	75.8	75.7	0.0	3.862	2.699	\$1.163	143.09%
Registered Mail.....	35.5	28.0	28.0	0.0	15.843	12.500	\$3.343	126.74%
Stamped Envelopes.....	10.9	6.5	6.5	-				
Stamped Cards (note 3).....	1.4	0.5	0.5	-				
Other Ancillary Services (note 2).....	514.8	242.6	239.6	3.0				
Total Domestic Ancillary Services.....	1,390.4	892.2	888.9	3.3				
Total International Ancillary Services (note 2).....	36.1	18.4	18.4	-	1.507	0.767	\$0.740	196.37%
<b>Special Services:</b>								
Address Management Services.....	15.3	8.4	0.1	8.3				
Caller Service.....	93.6	22.8	22.8	-				
Credit Card Authentication.....	14.7	1.9	1.9	-				
Customized Postage.....	0.3	0.1	0.1	-				
Money Orders.....	156.1	103.3	101.1	2.2	1.523	1.007	\$0.516	151.19%
Post Office Box Service.....	358.5	293.9	294.0	0.1				
Stamp Fulfillment Services.....	4.2	5.1	5.1	-				
Other Special Services (note 2).....	-	-	-	-				
Total Special Services.....	642.7	435.4	424.9	10.6				
Total Market Dominant Special Services.....	2,069.2	1,346.0	1,332.2	13.9				
 Total Market Dominant Mail and Services.....	 51,274.3	 29,288.4	 29,206.8	 81.8				

See accompanying notes.

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Mail Classes and Products (note 1)	(in millions)				(per piece)			
	Revenue (note 1)	Attributable Cost (note 2)	Volume Variable Cost (note 2)	Product Specific Cost (note 2)	Revenue \$ D	Attributable Cost \$ (note 2) E	Contribution \$ (note 2) (D-E)	Cost Coverage (note 2) (D/E)
<b>COMPETITIVE MAIL AND SERVICES</b>								
Total Priority Mail Express.....	794.1	419.7	404.3	15.4	20.301	10.729	9.572	189.22%
Total First-Class Package Service.....	1,191.7	1,001.7	1,000.6	1.1	2.189	1.840	0.349	118.97%
Total Priority Mail.....	6,374.3	4,861.1	4,798.5	62.6	7.315	5.579	1.737	131.13%
Total Ground.....	2,469.4	1,984.6	1,984.6	0.0	1.801	1.448	0.354	124.42%
Total Competitive International.....	2,222.9	1,271.0	1,262.0	9.0				
Total Domestic Competitive Services.....	688.8	343.0	305.9	37.1				
Total Competitive Mail and Services.....	13,741.1	9,881.1	9,755.8	125.3				
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Total All Mail and Services.....	65,015.5	39,169.5	38,962.5	207.1				
RPW items:.....								
Miscellaneous Items.....	2,261.4	-	-	-				
Appropriations: Revenue Forgone.....	41.2	-	-	-				
Total Operating Income.....	67,318.1	39,169.5	38,962.5	207.1				
Investment Income.....	23.7	-	-	-				
Total .....	67,341.8	39,169.5	38,962.5	207.1				
All Other (note 3).....		33,149.4						
Total (note 3)		72,318.9						

See accompanying notes.

PUBLIC COST AND REVENUE ANALYSIS  
Fiscal Year 2013

VOLUME STATISTICS

Mail Classes and Products (note 1)	Pieces (thousands)	Weight in Pounds (thousands)	Weight per Piece (ounces)
<b>MARKET DOMINANT PRODUCTS</b>			
<b>First-Class Mail:</b>			
Single-Piece Letters.....	21,448,767	665,686	0.5
Single-Piece Postcards.....	1,049,161	6,699	0.1
Total Single-Piece Letters and Cards.....	22,497,928	672,385	0.5
Presort Letters.....	38,724,901	2,115,052	0.9
Presort Cards.....	2,419,290	19,750	0.1
Total Presort Letters and Cards.....	41,144,191	2,134,803	0.8
Flats.....	1,894,432	386,490	3.3
Parcels.....	247,187	77,204	5.0
First-Class NSAs.....	213,529	0	0.0
Outbound Single-Piece First-Class Mail Int'l.....	231,475	30,376	2.1
Inbound Single-Piece First-Class Mail Int'l.....	225,757	64,078	4.5
Total First-Class.....	66,454,498	3,365,335	0.8
<b>Standard Mail:</b>			
High Density and Saturation Letters.....	5,711,635	252,744	0.7
High Density and Saturation Flats and Parcels.....	11,337,794	2,050,963	2.9
Carrier Route.....	9,507,627	2,026,806	3.4
Letters.....	46,754,274	2,456,123	0.8
Flats.....	5,568,019	1,398,222	4.0
Parcels.....	71,966	22,956	5.1
Standard Mail NSAs.....	1,036,465	0	0.0
Every Door Direct Mail Retail.....	974,774	123,640	2.0
Total Standard Mail.....	80,962,555	8,331,453	1.7
<b>Periodicals:</b>			
In County.....	603,254	176,250	4.7
Outside County (note 2).....	5,755,719	2,246,058	6.2
Total Periodicals.....	6,358,973	2,422,307	6.1
<b>Package Services:</b>			
Parcel Post.....	28,675	196,145	109.4
Alaska Bypass.....	879	59,363	1080.5
Inbound Intl. Surface Parcel Post (at UPU Rates).....	829	13,994	270.1
Bound Printed Matter Flats.....	229,611	350,762	24.4
Bound Printed Matter Parcels.....	216,386	568,756	42.1
Media and Library Mail (note 2).....	94,524	229,399	38.8
Total Package Services.....	570,905	1,418,418	39.8
International Negotiated Service Agreements.....	162,219	37,523	3.7
U.S. Postal Service.....	630,937	150,147	3.8
Free Mail - blind, handicapped & servicemen.....	54,577	23,038	6.8
Total Market Dominant Mail.....	155,194,663	15,748,222	1.6

See accompanying notes.

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Fiscal Year 2013

**VOLUME STATISTICS**

Mail Classes and Products (note 1)	Pieces (thousands)	Weight in Pounds (thousands)	Weight per Piece (ounces)
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**MARKET DOMINANT SERVICES**

<b>Ancillary Services</b>			
Certified Mail.....	233,945	NA	NA
COD.....	486	NA	NA
Insurance.....	28,080	NA	NA
Registered Mail.....	2,238	NA	NA
Other Ancillary Services (note 2).....	2,545,872	NA	NA
Total International Ancillary Services (note 2).....	23,943	NA	NA
<b>Special Services</b>			
Money Orders.....	102,507	NA	NA
<b>Total Market Dominant Service Transactions.....</b>	<b>2,937,071</b>	<b>NA</b>	<b>NA</b>

**COMPETITIVE PRODUCTS**

Total Priority Mail Express.....	39,116	38,233	15.6
Total First-Class Package Service.....	544,334	185,476	5.5
Total Priority Mail.....	871,366	1,815,870	33.3
Total Ground.....	1,370,836	2,411,601	28.1
Total Competitive International.....	282,131	319,417	18.1
Total Competitive Mail.....	3,107,782	4,770,597	24.6

Total Market Dominant Mail (no services).....	155,194,663
Total Competitive Mail (no services).....	3,107,782
Total All Mail (no services).....	158,302,445