

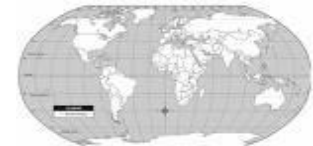


PUBLIC COST AND REVENUE ANALYSIS

Fiscal Year 2019

Revised 1/10/2020

FINANCE



PUBLIC COST AND REVENUE ANALYSIS
Fiscal Year 2019 - Revised 1/10/2020

Mail Classes and Products (note 1)	(in millions)			(per piece)				
	Revenue (note 1)	Attributable Cost (note 2)	Volume Variable Cost (note 2)	Revenue \$	Attributable Cost \$ (note 2)	Volume Variable Cost \$	Contribution \$ (note 2)	Cost Coverage (note 2)
	A	B	C	D	E	F	(D-E)	(D/E)
MARKET DOMINANT PRODUCTS								
First-Class Mail:								
Single-Piece Letters.....	\$8,284.8	\$5,272.7	\$5,095.2	\$0.519	\$0.330	\$0.319	\$0.189	157.13%
Single-Piece Postcards.....	204.0	186.7	185.7	0.362	0.331	0.330	0.031	109.25%
Total Single-Piece Letters and Cards.....	8,488.8	5,477.5	5,280.9	0.514	0.332	0.320	0.182	154.98%
Presort Letters.....	13,689.5	4,678.1	4,608.2	0.389	0.133	0.131	0.256	292.63%
Presort Cards.....	502.5	173.3	172.7	0.261	0.090	0.090	0.171	289.95%
Total Presort Letters and Cards.....	14,192.0	4,858.6	4,781.0	0.382	0.131	0.129	0.251	292.10%
Flats.....	1,648.9	1,516.0	1,512.9	1.273	1.170	1.168	0.103	108.77%
Outbound Single-Piece First-Class Mail International.....	184.4	126.6	126.1	1.463	1.004	1.000	0.459	145.66%
Inbound Single-Piece First-Class Mail International.....	598.2	762.2	760.0	1.067	1.360	1.356	(0.293)	78.49%
Fees (note 2).....	104.6							
Total First-Class.....	25,216.9	12,978.4	12,460.8	0.453	0.233	0.224	0.220	194.30%
USPS Marketing Mail:								
High Density and Saturation Letters.....	1,195.7	585.7	580.1	0.165	0.081	0.080	0.084	204.14%
High Density and Saturation Flats and Parcels.....	2,065.8	1,498.7	1,471.0	0.178	0.129	0.127	0.049	137.84%
Carrier Route.....	1,669.0	1,673.3	1,663.2	0.262	0.263	0.262	(0.001)	99.74%
Letters.....	9,713.3	5,124.2	4,996.3	0.211	0.111	0.109	0.100	189.56%
Flats.....	1,560.5	2,306.6	2,300.4	0.409	0.604	0.602	(0.195)	67.66%
Parcels.....	48.3	84.9	84.9	1.310	2.304	2.303	(0.993)	56.87%
Every Door Direct Mail Retail.....	119.5	46.2	45.9	0.184	0.071	0.071	0.113	258.85%
Fees (note 2).....	35.0							
Total USPS Marketing Mail.....	16,407.1	11,797.9	11,141.7	0.217	0.156	0.147	0.061	139.07%
Periodicals:								
In County.....	55.5	96.3	96.2	0.111	0.193	0.193	(0.082)	57.66%
Outside County.....	1,132.2	1,768.6	1,763.9	0.274	0.428	0.427	(0.154)	64.02%
Fees (note 2).....	6.3							
Total Periodicals.....	1,194.1	1,865.5	1,860.2	0.258	0.403	0.401	(0.145)	64.01%
Package Services:								
Alaska Bypass.....	31.7	20.4	20.4	24.912	15.985	15.985	8.927	155.85%
Bound Printed Matter Flats.....	190.5	132.9	131.7	0.749	0.522	0.518	0.227	143.38%
Bound Printed Matter Parcels.....	314.2	296.7	295.1	1.099	1.038	1.032	0.061	105.89%
Media and Library Mail.....	283.9	397.0	395.7	3.543	4.955	4.939	(1.412)	71.50%
Fees (note 2).....	1.1							
Total Package Services.....	821.4	847.8	842.9	1.321	1.364	1.356	(0.042)	96.89%
International Negotiated Service Agreements.....	244.9	37.9	37.9	93.830	14.539	14.515	79.291	645.36%
Free Mail - blind, handicapped & servicemen.....		39.8	39.8		1.168	1.168	(1.168)	
Total Market Dominant Mail.....	43,884.4	27,567.4	26,383.4	0.321	0.201	0.193	0.119	159.19%

PUBLIC COST AND REVENUE ANALYSIS
Fiscal Year 2019 - Revised 1/10/2020

Mail Classes and Products (note 1)	(in millions)			(per piece)				
	Revenue (note 1)	Attributable Cost (note 2)	Volume Variable Cost (note 2)	Revenue \$	Attributable Cost \$ (note 2)	Volume Variable Cost \$	Contribution \$ (note 2)	Cost Coverage (note 2)
	A	B	C	D	E	F	(D-E)	(D/E)
MARKET DOMINANT SERVICES								
Ancillary Services								
Certified Mail.....	653.6	478.4	471.5	3.496	2.559	2.522	0.937	136.62%
COD.....	4.2	2.5	2.5	11.432	6.834	6.834	4.598	167.28%
Insurance.....	77.7	41.5	41.4	5.414	2.890	2.888	2.524	187.35%
Registered Mail.....	24.2	16.8	16.8	16.724	11.588	11.587	5.136	144.32%
Stamped Envelopes.....	12.2	10.6	10.6					
Stamped Cards (note 4).....	0.6	0.2	0.2					
Other Domestic Ancillary Services (note 2).....	389.7	247.3	244.3					
Other Domestic NSA Ancillary Services (note 2).....	3.3	3.2	3.2					
Total Domestic Ancillary Services.....	1,165.5	800.4	790.6					
Total International Ancillary Services (note 2).....	59.1	58.5	58.5	1.989	1.970	1.970	0.018	100.93%
Special Services:								
Address Management Services.....	16.7	5.6	0.1					
Caller Service.....	89.4	21.1	21.1					
Credit Card Authentication (note 5).....	18.3	2.2	2.2					
Customized Postage.....	0.2	0.1	0.1					
Money Orders.....	162.9	154.5	150.4	2.005	1.901	1.851	0.104	105.45%
Post Office Box Service.....	294.4	255.5	255.3					
Stamp Fulfillment Services.....	4.1	4.3	4.3					
Total Special Services.....	586.0	443.2	433.5					
Total Market Dominant Services.....	1,810.5	1,322.7	1,282.6					
Total Market Dominant Mail and Services.....	45,695.0	28,891.3	27,666.0					

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	A	B	C	D	E	F	(D-E)	(D/E)
COMPETITIVE MAIL AND SERVICES								
Total Priority Mail Express.....	716.2	300.6	295.9	27.374	11.488	11.308	15.886	238.29%
Total First-Class Package Service.....	4,466.2	3,013.9	2,985.2	3.194	2.156	2.135	1.039	148.19%
Total Priority Mail.....	9,463.7	7,044.9	6,867.4	8.720	6.491	6.328	2.229	134.33%
Total Ground.....	7,270.8	3,845.6	3,774.1	2.426	1.283	1.259	1.143	189.07%
Total Competitive International Mail and Services.....	1,379.9	981.0	975.8	8.328	5.921	5.889	2.407	140.66%
Total Domestic Competitive Services.....	910.5	483.2	449.2					
Total Competitive Mail and Services.....	24,207.4	15,960.0	15,347.6					
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Total All Mail and Services.....	69,902.3	44,919.6	43,013.5					
Miscellaneous Items (note 2).....	1,221.6							
Appropriations: Revenue Forgone.....	30.1							
Total Operating Income.....	71,154.0	44,919.6	43,013.5					
Investment Income (note 6).....	151.5							
Total	71,305.5	44,919.6	43,013.5					
All Other.....		35,199.4						
Total.....		80,119.0						

PUBLIC COST AND REVENUE ANALYSIS
Fiscal Year 2019 - Revised 1/10/2020

VOLUME STATISTICS

Mail Classes and Products (note 1)	Pieces (thousands)	Weight in Pounds (thousands)	Weight per Piece (ounces)
MARKET DOMINANT PRODUCTS			
First-Class Mail:			
Single-Piece Letters.....	15,953,934	467,047	0.5
Single-Piece Postcards.....	563,453	3,618	0.1
Total Single-Piece Letters and Cards.....	16,517,387	470,664	0.5
Presort Letters.....	35,207,142	2,032,376	0.9
Presort Cards.....	1,923,399	15,713	0.1
Total Presort Letters and Cards.....	37,130,541	2,048,089	0.9
Flats.....	1,295,348	261,492	3.2
Outbound Single-Piece First-Class Mail International.....	126,052	7,766	1.0
Inbound Single-Piece First-Class Mail International.....	560,457	235,897	6.7
Total First-Class.....	55,629,785	3,023,908	0.9
USPS Marketing Mail:			
High Density and Saturation Letters.....	7,253,647	292,006	0.6
High Density and Saturation Flats and Parcels.....	11,606,928	2,034,704	2.8
Carrier Route.....	6,358,867	1,304,414	3.3
Letters.....	45,966,176	2,242,030	0.8
Flats.....	3,818,182	961,509	4.0
Parcels.....	36,861	14,852	6.4
Every Door Direct Mail Retail.....	649,386	82,368	2.0
Total USPS Marketing Mail.....	75,690,047	6,931,881	1.5
Periodicals:			
In County.....	499,313	127,964	4.1
Outside County.....	4,135,305	1,444,298	5.6
Total Periodicals.....	4,634,618	1,572,263	5.4
Package Services:			
Alaska Bypass.....	1,274	85,758	1077.2
Bound Printed Matter Flats.....	254,368	428,698	27.0
Bound Printed Matter Parcels.....	285,933	590,904	33.1
Media and Library Mail.....	80,122	174,195	34.8
Total Package Services.....	621,696	1,279,555	32.9
U.S. Postal Service.....	284,579	101,412	5.7
Free Mail - blind, handicapped & servicemen.....	34,109	12,357	5.8
International Negotiated Service Agreements.....	2,610	2,451	15.0
Total Market Dominant Mail.....	136,897,443	12,923,826	1.5

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VOLUME STATISTICS

<u>Mail Classes and Products (note 1)</u>	<u>Pieces (thousands)</u>	<u>Weight in Pounds (thousands)</u>	<u>Weight per Piece (ounces)</u>
MARKET DOMINANT SERVICES			
Ancillary Services			
Certified Mail.....	186,950		
COD.....	368		
Insurance.....	14,348		
Registered Mail.....	1,447		
Other Domestic Ancillary Services (note 2).....	5,584,055		
Other Domestic NSA Ancillary Services (note 2).....	1,389		
Total International Ancillary Services (note 2).....	29,699		
Special Services			
Money Orders.....	81,268		
Total Market Dominant Service Transactions.....	5,899,524		
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COMPETITIVE PRODUCTS			
Total Priority Mail Express.....	26,163	28,225	17.3
Total First-Class Package Service.....	1,398,204	532,379	6.1
Total Priority Mail.....	1,085,277	2,854,404	42.1
Total Ground.....	2,997,116	7,983,301	42.6
Total Competitive International.....	165,692	231,649	22.4
Total Competitive Mail.....	5,672,452	11,629,959	32.8
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TOTAL ALL MAIL.....	142,569,895		