



PUBLIC COST AND REVENUE ANALYSIS

Fiscal Year 2024

Revised 2/14/2025

FINANCE



PUBLIC COST AND REVENUE ANALYSIS
Fiscal Year 2024 - Revised 2/14/2025

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.....	\$6,955.9	\$3,906.8	\$3,786.5	\$0.675	\$0.379	\$0.368	\$0.296	178.05%
Single-Piece Postcards.....	177.4	121.5	121.0	0.547	0.375	0.373	0.172	145.99%
Total Single-Piece Letters and Cards.....	7,133.3	4,039.7	3,907.6	0.671	0.380	0.368	0.291	176.58%
Presort Letters.....	15,548.8	4,647.7	4,566.7	0.513	0.153	0.151	0.360	334.55%
Presort Cards.....	887.0	236.8	236.3	0.362	0.097	0.096	0.265	374.51%
Total Presort Letters and Cards.....	16,435.9	4,897.7	4,803.0	0.502	0.149	0.147	0.352	335.58%
Flats.....	1,733.2	1,396.3	1,393.7	1.974	1.591	1.588	0.384	124.13%
Outbound Single-Piece First-Class Mail International.....	171.5	104.3	104.3	1.925	1.171	1.170	0.754	164.41%
Inbound Letter Post (Letters and Flats).....	48.9	36.0	36.0	0.751	0.553	0.553	0.198	135.84%
Fees (note 2).....	98.9							
Total First-Class.....	25,621.7	10,606.5	10,244.6	0.577	0.239	0.231	0.338	241.57%
USPS Marketing Mail:								
High Density and Saturation Letters.....	1,184.4	531.9	527.3	0.214	0.096	0.095	0.118	222.68%
High Density and Saturation Flats and Parcels.....	1,682.2	1,071.6	1,028.4	0.206	0.131	0.126	0.075	156.98%
Carrier Route.....	1,288.4	951.9	946.2	0.372	0.275	0.274	0.097	135.34%
Letters.....	9,904.5	4,677.5	4,530.0	0.262	0.124	0.120	0.138	211.75%
Flats.....	1,184.5	1,552.8	1,549.0	0.612	0.802	0.800	(0.190)	76.28%
Parcels.....	62.3	47.1	47.1	3.417	2.582	2.581	0.836	132.37%
Every Door Direct Mail Retail.....	119.9	40.3	40.2	0.206	0.069	0.069	0.136	297.32%
Fees (note 2).....	20.3							
Total USPS Marketing Mail.....	15,446.5	9,099.1	8,668.1	0.268	0.158	0.151	0.110	169.76%
Periodicals:								
In County.....	72.3	89.6	89.4	0.150	0.185	0.185	(0.036)	80.74%
Outside County.....	836.1	1,159.4	1,155.9	0.370	0.512	0.511	(0.143)	72.12%
Fees (note 2).....	3.7							
Total Periodicals.....	912.1	1,250.1	1,245.3	0.332	0.455	0.453	(0.123)	72.97%
Package Services:								
Alaska Bypass.....	38.2	38.5	38.5	32.997	33.223	33.223	(0.226)	99.32%
Bound Printed Matter Flats.....	109.2	86.0	85.4	0.918	0.723	0.718	0.195	126.97%
Bound Printed Matter Parcels.....	327.7	325.2	323.7	1.465	1.454	1.447	0.011	100.75%
Media and Library Mail.....	430.0	331.8	331.1	5.219	4.026	4.018	1.193	129.62%
Fees (note 2).....	1.1							
Total Package Services.....	906.2	782.2	778.7	2.126	1.835	1.827	0.291	115.87%
Free Mail - blind, handicapped & servicemen.....		17.3	17.3		1.265	1.265	(1.265)	
Total Market Dominant Mail.....	42,886.6	21,755.1	20,954.1	0.406	0.206	0.199	0.200	197.13%

See accompanying notes.

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Mail Classes and Products (note 1)	(in millions)			(per piece)				
	Revenue	Attributable	Volume	Revenue	Attributable	Volume	Contribution	Cost
	(note 1)	Cost	Variable Cost	\$	Cost \$	Variable	\$	Coverage
	A	B	C	D	E	F	(D-E)	(D/E)
MARKET DOMINANT SERVICES								
Ancillary Services								
Certified Mail.....	708.7	285.3	282.3	4.528	1.823	1.803	2.705	248.39%
COD.....	5.4	2.9	2.9	17.692	9.624	9.613	8.068	183.83%
Insurance.....	56.4	16.6	16.6	10.443	3.070	3.070	7.372	340.10%
Registered Mail.....	19.6	14.1	14.1	27.126	19.576	19.574	7.550	138.57%
Stamped Envelopes.....	12.9	11.1	11.1					
Stamped Cards (note 4).....	0.6	0.1	0.1					
Other Domestic Ancillary Services (note 2).....	433.5	174.6	174.0					
Other Domestic NSA Ancillary Services (note 2).....	6.8	7.1	7.1					
Total Domestic Ancillary Services.....	1,243.9	511.9	508.2					
Total International Ancillary Services (note 2).....	9.3	5.5	5.5	12.816	7.574	7.574	5.243	169.22%
Special Services:								
Address Management Services.....	42.0	3.2	0.0					
Caller Service.....	101.3	15.4	15.4					
Credit Card Authentication (note 5).....	20.4	2.6	2.6					
Money Orders.....	235.4	166.1	160.9	4.024	2.840	2.751	1.184	141.68%
Post Office Box Service.....	335.6	143.7	143.1					
Stamp Fulfillment Services.....	7.5	3.6	3.6					
Total Special Services.....	742.2	334.6	325.7					
Total Market Dominant Services.....	1,995.4	864.9	839.4					
 Total Market Dominant Mail and Services.....	 44,882.0	 22,620.0	 21,793.5					

See accompanying notes.

PUBLIC COST AND REVENUE ANALYSIS								
Fiscal Year 2024 - Revised 2/14/2025								
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)
COMPETITIVE MAIL AND SERVICES								
Total Priority Mail Express.....	641.7	290.9	284.7	30.488	13.822	13.527	16.666	220.58%
Total Priority Mail.....	7,105.8	5,761.6	5,693.4	10.178	8.253	8.155	1.925	123.33%
Total Ground.....	23,549.5	15,745.1	14,870.7	3.868	2.586	2.443	1.282	149.57%
Total Competitive International Mail and Services.....	1,216.9	886.1	882.4	9.019	6.567	6.539	2.452	137.34%
Total Domestic Competitive Services.....	1,323.8	348.7	311.4					
Total Competitive Mail and Services.....	33,837.7	23,696.4	22,042.6					
Federal Interagency Agreements (note 6).....	424.4	256.3						
State/Local/Tribal Interagency Agreements (note 6).....								
Total All Mail and Services.....	79,144.1	46,641.2	43,836.1					
Miscellaneous Items (and Gains) (note 2).....	340.4							
Appropriations: Revenue Forgone.....	62.4							
Total Operating Income (and Gains).....	79,546.8	46,641.2	43,836.1					
Investment Income (note 7).....	958.0							
Total	80,504.8	46,641.2	43,836.1					
All Other.....		43,384.0						
Total.....		90,025.1						

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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.....	10,303,157	299,560	0.5
Single-Piece Postcards.....	324,149	2,121	0.1
Total Single-Piece Letters and Cards.....	10,627,306	301,680	0.5
Presort Letters.....	30,318,710	1,781,046	0.9
Presort Cards.....	2,452,929	20,071	0.1
Total Presort Letters and Cards.....	32,771,639	1,801,117	0.9
Flats.....	877,879	206,567	3.8
Outbound Single-Piece First-Class Mail International.....	89,115	5,604	1.0
Inbound Letter Post (Letters and Flats).....	65,068	5,984	1.5
Total First-Class.....	44,431,007	2,320,952	0.8
USPS Marketing Mail:			
High Density and Saturation Letters.....	5,536,153	207,874	0.6
High Density and Saturation Flats and Parcels.....	8,164,555	1,058,482	2.1
Carrier Route.....	3,459,005	687,771	3.2
Letters.....	37,840,830	1,781,741	0.8
Flats.....	1,936,733	486,469	4.0
Parcels.....	18,246	8,138	7.1
Every Door Direct Mail Retail.....	583,365	73,994	2.0
Total USPS Marketing Mail.....	57,538,887	4,304,469	1.2
Periodicals:			
In County.....	483,318	102,943	3.4
Outside County.....	2,262,785	688,117	4.9
Total Periodicals.....	2,746,103	791,061	4.6
Package Services:			
Alaska Bypass.....	1,159	78,081	1078.1
Bound Printed Matter Flats.....	118,982	165,080	22.2
Bound Printed Matter Parcels.....	223,690	472,888	33.8
Media and Library Mail.....	82,401	171,171	33.2
Total Package Services.....	426,231	887,219	33.3
U.S. Postal Service.....	357,979	60,024	2.7
Free Mail - blind, handicapped & servicemen.....	13,676	5,611	6.6
Total Market Dominant Mail.....	105,513,884	8,369,336	1.3

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VOLUME STATISTICS

Mail Classes and Products (note 1)	Pieces (thousands)	Weight in Pounds (thousands)	Weight per Piece (ounces)
MARKET DOMINANT SERVICES			
Ancillary Services			
Certified Mail.....	156,519		
COD.....	305		
Insurance.....	5,404		
Registered Mail.....	721		
Other Domestic Ancillary Services (note 2).....	153,683		
Other Domestic NSA Ancillary Services (note 2).....	2,603		
Total International Ancillary Services (note 2).....	725		
Special Services			
Money Orders.....	58,494		
Total Market Dominant Service Transactions.....	378,455		
COMPETITIVE PRODUCTS			
Total Priority Mail Express.....	21,046	21,563	16.4
Total Priority Mail.....	698,151	1,754,961	40.2
Total Ground.....	6,088,171	11,681,210	30.7
Total Competitive International.....	134,937	197,232	23.4
Total Competitive Mail.....	6,942,306	13,654,966	31.5
TOTAL ALL MAIL.....	112,456,190		

UNITED STATES POSTAL SERVICE
NOTES TO PUBLIC COST AND REVENUE ANALYSIS
Fiscal Year 2024
Revised 2/14/2025

1. Public Cost and Revenue Analysis

The U.S. Postal Service (Postal Service) has annually prepared the Domestic Cost and Revenue Analysis (CRA) and International Cost and Revenue Analysis (ICRA) covering the period October 1 through September 30. The CRA and ICRA were created to aid in determining that the statutory requirements under Title 39 U.S. Code are met, that “each class of mail or type of mail service bear the direct and indirect costs attributable to that class or service....”

As a result of the enactment of Public Law 109-435 on December 20, 2006, the Postal Service continues to produce cost and revenue information by product using methods approved by the Postal Regulatory Commission (PRC). The PRC methods are described in the PRC’s Annual Compliance Determination Report. The Fiscal Year 2024 Public Cost and Revenue Analysis Report (PCRA) combines revenue and cost data from both the domestic and international CRAs. It represents the PRC’s methodology of presenting each mail category’s estimated attributable and unit costs. The PCRA also displays revenue, pieces and weight information from the Revenue, Pieces and Weight (RPW) report. The Public CRA differs from the Non-Public CRA by not detailing costs for specific products defined by the PRC as “Competitive.”

The postal system of accounts is the basis for PCRA data; however, the postal system of accounts generally does not accumulate financial data by category of mail. Apportionment factors, derived from various postal operational and statistical information sources, are required for development of the data for PCRA purposes. Some of these sources (e.g., In-Office Cost System and Origin-Destination Information System-Revenue, Pieces and Weight (ODIS-RPW)) are dedicated to this purpose and involve extensive statistical sampling of postal activities during the year. Calculated amounts are compared and scaled to actual data in the postal system of accounts, as appropriate.

2. Definitions

Volume Variable Cost – Volume variable costs are calculated by multiplying the total volume of the class or product by the unit costs (the change in total costs resulting from a one-unit change in its volume alone, when the volumes of other products remain constant).

Product Specific Cost – Product specific costs represent costs that are not volume variable but, for certain products, are directly or indirectly caused by that product.

Incremental Cost – The incremental cost of a product is the total cost caused by adding that product to the Postal Service’s output mix.

Inframarginal Cost – The inframarginal costs of a product represent the difference between the incremental cost of the product and the sum of the volume variable and product specific costs of the product.

Attributable Cost – The attributable costs of a product include the sum of volume variable costs, product specific costs, and those inframarginal costs calculated as part of the product’s incremental costs.

Contribution – Revenue per piece minus the attributable cost per piece.

Cost Coverage – Revenue per piece as a percentage of the attributable cost per piece (unit revenue divided by unit attributable cost.)

Fees – Fees associated with a specific class of mail or product are included in the reported revenue for that class or product.

International Mail – International mail detail is provided in the International Cost and Revenue Analysis report.

Other Domestic Ancillary Services – Includes identifiable costs for the following domestic services: return receipts, signature confirmation, certificate of mailing, merchandise return service, merchandise return receipt, restricted delivery, business reply, address correction services, bulk parcel return service, parcel airlift, shipper paid forwarding, premium stamped stationery, premium stamped cards, and portion of USPS Tracking associated with Marketing Mail parcels.

International Ancillary Services – Includes identifiable costs for certificate of mailing, outbound registered mail, inbound registered mail, outbound return receipt, inbound return receipt, outbound restricted delivery, inbound restricted delivery, outbound insurance, inbound insurance, customs clearance and delivery fees, outbound reply coupon service, inbound reply coupon service, outbound business reply mail service and inbound business reply mail service. These are fees for additional services related to mail products that have been already counted in other sections of this report.

Negotiated Service Agreement Mail (NSA) – Where there are negotiated service agreements, their costs are shown in separate rows within each applicable class. The details for both domestic and international NSAs are provided in the Annual Compliance Report.

Miscellaneous Items – Includes philatelic sales, fees, fines, unclaimed money from dead letters, sales of services performed for private contractors. Not included is \$38,462 thousand of imputed interest earned on money order float, which is reclassified to domestic and international money orders.

3. Aggregate Categories

In this report, the Attributable Costs reported in rows containing multiple products (e.g., Total Single-Piece Letters and Cards, Total First-Class) do not reflect the sum of the Attributable Costs of each of the component products included in the row. Instead, they generally represent the group incremental costs of those aggregate categories as separately shown in the Market Dominant Incremental Cost folder (USPS-FY24-43) or the Competitive Incremental Cost folder (USPS-FY24-NP10). Detailed descriptions of the procedures by which the Total First-Class row and certain other specific aggregate rows are derived can be found in the Preface materials presented with this report in USPS-FY24-1.

4. Cards

Volume variable costs are the printing costs related to stamped cards.

5. Credit Card Authentication

Revenue for Credit Card Authentication represents the total revenue from Credit Card Authentication service, and the Expenses include credit card fees, payment switch fees and call center support. Cost coverage does not equal Revenue divided by Expense because third- party agreements reduce both Revenues and Expenses.

6. Interagency Agreements

Federal Interagency Agreements – Includes revenues and attributable costs for services (other than delivery) resulting from agreements with other federal agencies pursuant to 39 U.S.C. § 411.

State/Local/Tribal Interagency Agreements – Includes revenues and attributable costs for services (other than delivery) resulting from agreements with State, Local, or Tribal government pursuant to 39 U.S.C. § 3703.

7. Miscellaneous Adjustments

- A) Imputed interest on money order float is included with interest and investment income in the 2024 Annual Report (Form 10-K) but is distributed to money order products in the PCRA Report (in millions). Total revenue may not match exactly between the Form 10-K and PCRA due to rounding.

Operating and Other Revenue per 10-K Annual Report	\$79,547		
Interest and Investment Income per 10-K Annual Report	<u>958</u>		
Total Revenue	<u>\$80,505</u>	PCRA Report Revenue	<u>\$80,505</u>

- B) Interest expense is shown separately in the 2024 Annual Report (Form 10-K) and is reported as part of total expenses in the PCRA Report (in millions). Total expenses may not match exactly between the Form 10-K and the PCRA due to rounding.

Operating Expenses per 10-K Annual Report	\$89,465		
Interest expense per 10-K Annual Report	<u>560</u>		
Total Expenses	<u>\$90,025</u>	PCRA Report Expense	<u>\$90,025</u>