

<b>Scenario:</b>	<b>Alternate (0.5 Ounces) with CRA Costs for Inbound Mail System Harmonization; WS Savings 20%</b>
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**USPS Net Revenue Impacts (millions of dollars)**

	First-Class Mail	Regular Standard Mail	Enhanced Carrier Route Standard Mail	Priority Mail	Nonprofit Standard Mail	Periodicals -- Regular Rate	Grand Total
<b>Diverted Domestic Mail</b>							
Postage Revenue Not Received	(1,203.9)	(505.7)	(47.6)	(0.0)	(0.0)	(7.8)	\$ (1,765)
Avoided Domestic Mail Costs	330.8	230.2	16.1	0.0	0.0	4.4	\$ 582
<b>Remail</b>							
Terminal Dues Revenue	583.3	409.8	26.3	0.0	0.0	6.0	\$ 1,025
Inbound International Costs	(558.8)	(318.3)	(38.7)	(0.0)	(0.0)	(4.4)	\$ (920)
<b>Total Net Revenue Impact</b>	<b>\$ (848.7)</b>	<b>\$ (184.0)</b>	<b>\$ (43.9)</b>	<b>\$ (0.0)</b>	<b>\$ (0.0)</b>	<b>\$ (1.8)</b>	<b>\$ (1,078)</b>
<b>UPU Country Related Net Revenue Impact</b>							<b>\$ (452)</b>
Weight (000 Metric Tons)	57.1	31.1	3.8	0.0	0.0	0.9	<b>92.9</b>
Volume (Billions)	3,599.0	2,120.4	268.4	0.0	0.1	24.0	<b>6,012.0</b>
IPK	63.0	68.2	70.5	1.2	70.5	25.7	<b>64.7</b>
Ounces per Item	0.6	0.5	0.5	28.4	0.5	1.4	<b>0.5</b>
<b>Foreign Administration Impacts</b>							
Access Fees	\$49.3	\$40.0	\$2.1	\$0.0	\$0.0	\$0.6	<b>\$92.0</b>
<b>Remail Intermediaries Impacts</b>							
Remailer Fees	\$48.1	\$32.3	\$2.3	\$0.0	\$0.0	\$0.5	<b>\$83.2</b>
<b>US Domestic Remailers Impacts</b>							
Total Cost Savings	\$553.4	\$53.3	\$24.1	\$0.0	\$0.0	\$1.1	<b>\$632.0</b>
<b>International Transportation Impacts</b>							
International Transportation Revenues	\$54.4	\$12.2	\$4.4	\$0.0	\$0.0	\$0.5	<b>\$71.5</b>

**Major Scenario Assumptions:**

Scenario Description	SH Baseline (0.5 Ounces) with CRA Costs
Simulation Year	2005
System Harmonization Applied?	Y
System Harmonization Slack Factor	140%
Weight of Remail Over Weight Step Minimums:	0.5
Access Fee as a Percentage of Terminal Dues	5%
Remail Fees as a Percentage of Transportation and Terminal Dues Costs	7%
Risk of Detection of Bulk Mail and Application of Remedies under Article 49	0%
IC Terminal Dues Rates (SDR):	0.190 per item
IC Terminal Dues Rates (SDR):	1.684 per kg
SDR Conversion (\$/SDR)	\$1.2000
Run Initiation:	12/14/01 7:45 AM
Run Completion:	12/14/01 1:43 PM
Run Duration:	5.97 hours

<b>Scenario:</b>	<b>SH Baseline (0.5 Ounces) with CRA Costs for Inbound Mail System Harmonization; WS Savings 20%</b>
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**USPS Net Revenue Impacts (millions of dollars)**

	First-Class Mail	Regular Standard Mail	Enhanced Carrier Route Standard Mail	Priority Mail	Nonprofit Standard Mail	Periodicals -- Regular Rate	Grand Total
<b>Diverted Domestic Mail</b>							
Postage Revenue Not Received	(955.7)	(112.0)	-	(0.0)	-	(3.3)	\$ (1,071)
Avoided Domestic Mail Costs	286.3	72.9	-	0.0	-	1.9	\$ 361
<b>Remail</b>							
Terminal Dues Revenue	474.4	89.5	-	0.0	-	2.7	\$ 567
Inbound International Costs	(479.8)	(72.9)	-	(0.0)	-	(1.9)	\$ (555)
<b>Total Net Revenue Impact</b>	<b>\$ (674.8)</b>	<b>\$ (22.5)</b>	<b>\$ -</b>	<b>\$ (0.0)</b>	<b>\$ -</b>	<b>\$ (0.6)</b>	<b>\$ (698)</b>
<b>UPU Country Related Net Revenue Impact</b>							<b>\$ (365)</b>
Weight (000 Metric Tons)	49.2	6.3	-	0.0	-	0.4	<b>55.9</b>
Volume (Billions)	3,064.1	437.2	-	0.0	-	10.6	<b>3,511.9</b>
IPK	62.2	69.9	-	1.3	-	28.6	<b>62.9</b>
Ounces per Item	0.6	0.5	-	27.4	-	1.2	<b>0.6</b>
<b>Foreign Administration Impacts</b>							
Access Fees	\$41.8	\$8.7	\$0.0	\$0.0	\$0.0	\$0.3	<b>\$50.8</b>
<b>Remail Intermediaries Impacts</b>							
Remailer Fees	\$39.5	\$7.1	\$0.0	\$0.0	\$0.0	\$0.2	<b>\$46.8</b>
<b>US Domestic Remailers Impacts</b>							
Total Cost Savings	\$424.0	\$9.5	\$0.0	\$0.0	\$0.0	\$0.3	<b>\$433.7</b>
<b>International Transportation Impacts</b>							
International Transportation Revenues	\$47.7	\$3.1	\$0.0	\$0.0	\$0.0	\$0.1	<b>\$51.0</b>

**Major Scenario Assumptions:**

Scenario Description	SH Baseline (0.5 Ounces) with CRA Costs
Simulation Year	2005
System Harmonization Applied?	Y
System Harmonization Slack Factor	140%
Weight of Remail Over Weight Step Minimums:	0.5
Access Fee as a Percentage of Terminal Dues	5%
Remail Fees as a Percentage of Transportation and Terminal Dues Costs	7%
Risk of Detection of Bulk Mail and Application of Remedies under Article 49	0%
IC Terminal Dues Rates (SDR):	0.190 per item
IC Terminal Dues Rates (SDR):	1.684 per kg
SDR Conversion (\$/SDR)	\$1.2775
Run Initiation:	12/13/01 11:05 PM
Run Completion:	12/14/01 4:16 AM
Run Duration:	5.18 hours

<b>Scenario:</b>	<b>Alternate (0.5 oz) using CRA Costs for Inbound Mail Unrestricted; WS Savings 20%</b>
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**USPS Net Revenue Impacts (millions of dollars)**

	First-Class Mail	Regular Standard Mail	Enhanced Carrier Route Standard Mail	Priority Mail	Nonprofit Standard Mail	Periodicals -- Regular Rate	Grand Total
<b>Diverted Domestic Mail</b>							
Postage Revenue Not Received	(1,417.9)	(1,602.9)	(409.5)	(0.0)	(319.7)	(21.9)	\$ (3,772)
Avoided Domestic Mail Costs	389.9	710.7	130.2	0.0	239.6	16.1	\$ 1,486
<b>Remail</b>							
Terminal Dues Revenue	403.3	533.1	154.4	0.0	131.3	14.6	\$ 1,237
Inbound International Costs	(657.1)	(1,093.0)	(351.8)	(0.0)	(325.0)	(16.1)	\$ (2,443)
<b>Total Net Revenue Impact</b>	<b>\$ (1,281.8)</b>	<b>\$ (1,452.1)</b>	<b>\$ (476.8)</b>	<b>\$ (0.0)</b>	<b>\$ (273.9)</b>	<b>\$ (7.3)</b>	<b>\$ (3,492)</b>
<b>UPU Country Related Net Revenue Impact</b>							<b>\$ (3,251)</b>
Weight (000 Metric Tons)	66.7	129.0	37.5	0.0	31.9	3.4	<b>268.6</b>
Volume (Billions)	4,260.9	7,348.6	2,430.0	0.0	2,243.8	87.1	<b>16,370.3</b>
IPK	63.9	57.0	64.7	1.2	70.3	25.6	<b>61.0</b>
Ounces per Item	0.6	0.6	0.5	28.4	0.5	1.4	<b>0.6</b>
<b>Foreign Administration Impacts</b>							
Access Fees	\$30.7	\$26.9	\$7.7	\$0.0	\$6.6	\$0.8	<b>\$72.7</b>
<b>Remail Intermediaries Impacts</b>							
Remailer Fees	\$35.5	\$43.2	\$12.7	\$0.0	\$10.2	\$1.2	<b>\$102.9</b>
<b>US Domestic Remailers Impacts</b>							
Total Cost Savings	\$965.6	\$1,150.2	\$306.9	\$0.0	\$205.0	\$7.2	<b>\$2,634.9</b>
<b>International Transportation Impacts</b>							
International Transportation Revenues	\$73.4	\$57.1	\$19.3	\$0.0	\$8.3	\$2.4	<b>\$160.5</b>

**Major Scenario Assumptions:**

Scenario Description	Unrestricted Baseline (0.5 oz) using CRA Costs
Simulation Year	2005
System Harmonization Applied?	N
System Harmonization Slack Factor	140%
Weight of Remail Over Weight Step Minimums:	0.5
Access Fee as a Percentage of Terminal Dues	5%
Remail Fees as a Percentage of Transportation and Terminal Dues Costs	7%
Risk of Detection of Bulk Mail and Application of Remedies under Article 49	0%
IC Terminal Dues Rates (SDR):	0.190 per item
IC Terminal Dues Rates (SDR):	1.684 per kg
SDR Conversion (\$/SDR)	\$1.2000
Run Initiation:	12/13/01 9:49 AM
Run Completion:	12/13/01 10:02 AM
Run Duration:	0.22 hours

<b>Scenario:</b>	<b>Baseline (0.5 oz) using CRA Costs for Inbound Mail Unrestricted; WS Savings 20%</b>
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**USPS Net Revenue Impacts (millions of dollars)**

	First-Class Mail	Regular Standard Mail	Enhanced Carrier Route Standard Mail	Priority Mail	Nonprofit Standard Mail	Periodicals -- Regular Rate	Grand Total
<b>Diverted Domestic Mail</b>							
Postage Revenue Not Received	(1,196.3)	(1,407.4)	(358.9)	(0.0)	(281.2)	(17.7)	\$ (3,261)
Avoided Domestic Mail Costs	357.6	671.9	123.1	0.0	227.6	14.1	\$ 1,394
<b>Remail</b>							
Terminal Dues Revenue	353.0	516.0	150.1	0.0	132.5	12.9	\$ 1,164
Inbound International Costs	(598.7)	(1,034.4)	(333.2)	(0.0)	(308.5)	(14.1)	\$ (2,289)
<b>Total Net Revenue Impact</b>	<b>\$ (1,084.4)</b>	<b>\$ (1,253.9)</b>	<b>\$ (418.9)</b>	<b>\$ (0.0)</b>	<b>\$ (229.7)</b>	<b>\$ (4.8)</b>	<b>\$ (2,992)</b>
<b>UPU Country Related Net Revenue Impact</b>							<b>\$ (2,845)</b>
Weight (000 Metric Tons)	60.9	117.7	34.3	0.0	30.3	2.9	<b>246.0</b>
Volume (Billions)	3,866.2	6,971.4	2,306.3	0.0	2,131.0	76.3	<b>15,351.3</b>
IPK	63.5	59.2	67.3	1.3	70.4	26.2	<b>62.4</b>
Ounces per Item	0.6	0.6	0.5	27.4	0.5	1.3	<b>0.6</b>
<b>Foreign Administration Impacts</b>							
Access Fees	\$25.5	\$25.9	\$7.5	\$0.0	\$6.6	\$0.7	<b>\$66.1</b>
<b>Remail Intermediaries Impacts</b>							
Remailer Fees	\$31.2	\$41.6	\$12.1	\$0.0	\$10.2	\$1.0	<b>\$96.0</b>
<b>US Domestic Remailers Impacts</b>							
Total Cost Savings	\$801.6	\$963.3	\$260.2	\$0.0	\$165.0	\$5.5	<b>\$2,195.6</b>
<b>International Transportation Impacts</b>							
International Transportation Revenues	\$67.0	\$51.7	\$15.0	\$0.0	\$6.5	\$1.4	<b>\$141.5</b>

**Major Scenario Assumptions:**

Scenario Description	Unrestricted Baseline (0.5 oz) using CRA Costs
Simulation Year	2005
System Harmonization Applied?	N
System Harmonization Slack Factor	140%
Weight of Remail Over Weight Step Minimums:	0.5
Access Fee as a Percentage of Terminal Dues	5%
Remail Fees as a Percentage of Transportation and Terminal Dues Costs	7%
Risk of Detection of Bulk Mail and Application of Remedies under Article 49	0%
IC Terminal Dues Rates (SDR):	0.190 per item
IC Terminal Dues Rates (SDR):	1.684 per kg
SDR Conversion (\$/SDR)	\$1.2775
Run Initiation:	12/13/01 9:32 AM
Run Completion:	12/13/01 9:44 AM
Run Duration:	0.21 hours