

**INTERNATIONAL SERVICE MAIL RATES**  
**COST ADJUSTMENT FACTORS**  
*(Expenses in Thousands of Dollars)*  
**PACIFIC RATE AREA**

	CY 1975 (1)	Year Ended June 30, 1997 1998 (2) (3)		Year to Year Change (%) (4)	Estimated Unit Cost at June 30, 1999 (5)	Percent Change CY 1975 to June 30, 1999 (6)
<b>Capacity Expense</b>						
Fuel		1,192,574	989,955			
Other		3,173,132	3,435,934			
Total	511,324	4,365,706	4,425,889			
Available Ton-miles (000)	3,670,476	15,002,339	15,773,055			
<b>Cost per Available Ton-mile (cents)</b>						
Fuel		7.95	6.28	(21.01)	4.44	
Other		21.15	21.78	2.98	22.76	
Total	13.93	29.10	28.06		27.20	95.26
<b>Noncapacity Expense</b>						
Tons of Baggage and Cargo Enplaned	42,934	470,313	479,352			
Cost per Ton Enplaned (Dollars)	289,713	1,263,058	1,385,737			
	148.19	372.36	345.92	(7.10)	309.95	109.16

**Sources:**

Column (1): Order 79-7-17, Appendix C.

Columns (2) and (3): Appendix C-2 for non-fuel data and DOT Form 41, Schedule P-12 for fuel cost data.

Column (5): Column (3) costs adjusted by column (4) percentages, and adjusted to reflect an 18-month lag between the mid-point of the cost year (January 1, 1998) and the mid-point of the rate year (June 30, 1999). (See column 5 note in App. B-1 for an example of the computation method).

Appendix B-2