

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Acting Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton; and
Tony Hammond

Market Test of Experimental Product-
Customized Delivery

Docket No. MT2014-1

ORDER AUTHORIZING EXTENSION OF CUSTOMIZED DELIVERY MARKET TEST
AND UPDATING DATA COLLECTION PLAN

(Issued September 28, 2016)

I. INTRODUCTION

The Postal Service filed a request to extend the Customized Delivery market test for another year.¹ It also intends to expand the market test to other markets during the one-year extension. *Id.* at 1. For the reasons discussed below, the Commission finds that the extension is consistent with the requirements of 39 U.S.C. § 3641 and, therefore, approves the Request to extend the market test until October 31, 2017. The Commission also directs the Postal Service to continue providing advance notice under

¹ Request of the United States Postal Service for Extension of Customized Delivery Market Test, July 8, 2016, at 2 (Request); see Order Authorizing Customized Delivery Market Test, October 23, 2014 (Order No. 2224).

39 C.F.R. § 3035.6 at least 10 days before expanding the market test into other geographic areas.

II. BACKGROUND

The Postal Service may conduct market tests of experimental products. 39 U.S.C. § 3641(a). Customized Delivery is an experimental product offered by the Postal Service for delivering groceries and other prepackaged goods to customers. Order No. 2224 at 1. The Commission initially authorized the Customized Delivery market test to begin in the San Francisco metropolitan area on November 1, 2014.² During FY 2015 and FY 2016, the Postal Service expanded the market test into other geographic areas: Los Angeles, CA; San Diego, CA; New York City, NY; Sacramento, CA; Stamford, CT; and Las Vegas, NV.³ It also changed the market test by adding a new feature for carriers to pick up empty bags from customers and return them to Destination Delivery Units.⁴

The Customized Delivery market test is currently scheduled to expire on October 31, 2016. Request at 1. On July 8, 2016, the Postal Service filed the Request and asked for a one-year extension under 39 U.S.C. § 3641(d)(2) and Order No. 2224. *Id.* During the extension, the Postal Service states that it “plans to continue to test in the markets it has entered into during 2016.” *Id.* The Postal Service asserts that it also intends to expand to other markets during the extension. *Id.* The Postal Service represents that all other aspects of the Customized Delivery market test remain unchanged and comply with 39 U.S.C. § 3641 and Order No. 2224. *Id.* at 2.

² *Id.* at 21; see Notice of the United States Postal Service of Effective Date for Customized Delivery Market Test, October 30, 2014.

³ Request at 1; see Notice of the United States Postal Service of Expansion of Customized Delivery Market Test, February 20, 2015; Notice of the United States Postal Service of Expansion of Customized Delivery Market Test, June 18, 2015; Notice of the United States Postal Service of Expansion of Customized Delivery Market Test, January 22, 2016.

⁴ Notice of the United States Postal Service of Change to Customized Delivery Market Test, with Portion Filed Under Seal, October 9, 2015.

On July 12, 2016, the Commission noticed the filing, designated a substitute Public Representative, and invited comments on whether the Request complies with applicable statutory and regulatory requirements, including 39 U.S.C. § 3641, 39 C.F.R. part 3035, and Order No. 2224.⁵ On July 13, 2016, the Public Representative moved for the Commission to issue an information request.⁶

On July 14, 2016, Chairman's Information Request No. 7 was issued to clarify the Request.⁷ Responses were due by July 21, 2016, and the Postal Service filed partial responses to CHIR No. 7 on that date.⁸ As a result of delayed responses, the Public Representative moved to extend the comment deadline,⁹ which the Commission granted.¹⁰ The remaining CHIR responses were filed on August 18¹¹ and August 24, 2016.¹²

⁵ Notice and Order Concerning Request for Extending and Expanding Market Test and Designating Substitute Public Representative, July 12, 2016, at 2-3.

⁶ Public Representative Motion to Request Issuance of Information Request, July 13, 2016.

⁷ Chairman's Information Request No. 7, July 14, 2016 (CHIR No. 7).

⁸ Responses of the United States Postal Service to Chairman's Information Request No. 7, Questions 1 and 2, July 21, 2016 (July 21, 2016, Responses to CHIR No. 7).

⁹ Public Representative Motion to Extend Comment Deadline, July 26, 2016.

¹⁰ Order Granting Motion to Extend Comment Deadline, July 26, 2016 (Order No. 3448).

¹¹ Responses of the United States Postal Service to Chairman's Information Request No. 7, Question 3-6 and 8-10, Filed Under Seal, August 18, 2016 (August 18, 2016, Responses to CHIR No. 7). The Postal Service filed an accompanying motion for late acceptance. Motion of the United States Postal Service for Late Acceptance of Responses to Chairman's Information Request No. 7, Questions 3-6 and 8-10, August 18, 2016. The motion is granted.

¹² Notice of the United States Postal Service of Filing Response to Chairman's Information Request No. 7, Question 7, August 24, 2016. The Postal Service filed an accompanying motion for late acceptance. Motion of the United States Postal Service for Late Acceptance of Response to Chairman's Information Request No. 7, Question 7, August 24, 2016. The motion is granted. Also, the Postal Service made public some CHIR responses that had been submitted under seal. Notice of the United States Postal Service of Filing Public Responses to Chairman's Information Request No. 7, Questions 3(c), 4, and 5(b), August 23, 2016 (August 23, 2016, Responses to CHIR No. 7).

III. COMMENTS

The Commission received one set of comments from the Public Representative.¹³ The Public Representative concludes that the proposed extension appears consistent with 39 U.S.C. § 3641. PR Comments at 1, 6. She recommends that the Commission continue to require the Postal Service to notify the Commission of material changes, including geographic expansion. *Id.* at 6. She suggests that geographic expansion notices include information specific to each new market to facilitate efficient Commission review and promote transparency and public participation. *Id.* at 7. She recommends that the Commission direct the Postal Service to file quarterly data reports using the table provided in CHIR No. 7. *Id.* at 7-8; see CHIR No. 7, Attachment. She also comments on the insufficiency of the Request to emphasize the need for complete filings to maximize regulatory efficiency and transparency. PR Comments at 8.

IV. COMMISSION ANALYSIS

The Commission has reviewed the record, including the Request, CHIR responses, comments received, and supporting documentation filed publicly and under seal. Based on this review, the Commission finds that the extension is consistent with the requirements of 39 U.S.C. § 3641. Below the Commission evaluates the Request for compliance with applicable statutory and regulatory requirements. The Commission also discusses geographic expansions, the data collection plan, and revenue limitation requirements.

A. Compliance with Applicable Requirements

In general, market tests may not exceed 24 months. 39 U.S.C. § 3641(d)(1); 39 C.F.R. § 3035.10. The Postal Service may ask the Commission to extend a market

¹³ Public Representative Comments, August 29, 2016 (PR Comments).

test by up to 12 months if the Postal Service files a written request at least 60 days before the market test is set to expire. 39 U.S.C. § 3641(d)(2); 39 C.F.R. § 3035.11(a). The Postal Service filed the Request well in advance of the statutory deadline in 39 U.S.C. § 3641(d)(2). It seeks a one-year extension. Request at 1.

The Commission must evaluate the Request to determine whether the extension is consistent with the requirements of 39 U.S.C. § 3641. 39 C.F.R. § 3035.11(c). The Commission must analyze three issues. First, the Commission must determine whether an extension is necessary to determine the feasibility or desirability of Customized Delivery. See 39 U.S.C. § 3641(d)(2). Second, the Commission must ensure that Customized Delivery will continue to comply with 39 U.S.C. § 3641(b) during the extension. Third, the Commission must evaluate whether the Request complies with regulations concerning market test extensions in 39 C.F.R. § 3035.11. Each issue is discussed below.

1. Necessary to Determine the Feasibility or Desirability

The Commission may extend a market test if an extension is “necessary in order to determine the feasibility or desirability of a product being tested under [section 3641]” See *id.*; 39 C.F.R. § 3035.11(b)(1). The Postal Service asserts that continuing the market test in a variety of geographic areas during the extension is necessary “to make a final determination on the operational feasibility and the desirability of making Customized Delivery a permanent product.” Request at 1-2. In a CHIR response, the Postal Service adds that the extension’s purpose is to continue testing operational models and add customers to gather more test data.¹⁴ The Postal Service asserts that it has not yet gained sufficient insight into the marketplace in different metropolitan areas to evaluate Customized Delivery’s long-term demand and market pricing. *Id.*

¹⁴ July 21, 2016, Responses to CHIR No. 7, question 1.

question 2.a. It states it “plans to continue to test various operational models and refine processes to reduce cost and improve on-time delivery.” *Id.*

The Public Representative observes that the extension will enable the Postal Service to experiment with operations, costing, service, and pricing. PR Comments at 4. She asserts that granting an extension for this purpose is consistent with the Commission’s authority over market tests. *Id.* She states that approving the Request based on the Postal Service’s representation is not unreasonable or unprecedented. *Id.*

The Postal Service has provided sufficient justification for extending the Customized Delivery market test. It asserts that it needs extra time to determine “the operational feasibility and the desirability of making Customized Delivery a permanent product.” Request at 2. It explains the rationale supporting this assertion in CHIR responses, which the Commission finds reasonable. Also, the Public Representative supports the extension. For these reasons, the Commission finds that the Postal Service has demonstrated that an extension is “necessary in order to determine the feasibility or desirability” of Customized Delivery as required by 39 U.S.C. § 3641(d)(2).

2. Compliance with 39 U.S.C. § 3641(b)

The Commission previously held that an experimental product must continue to comply with 39 U.S.C. § 3641(b) throughout a market test.¹⁵ Section 3641(b) states that an experimental product may not be tested unless it satisfies three conditions. First, the experimental product must be significantly different from all Postal Service products offered within the past two fiscal years. 39 U.S.C. § 3641(b)(1). Second, the “introduction or continued offering” of the experimental product must not create market disruption, which is defined as “an unfair or otherwise inappropriate competitive advantage for the Postal Service or any mailer, particularly in regard to small business

¹⁵ Docket No. MT2013-1, Order Approving Request for Extension and Expansion of Metro Post Market Test, November 7, 2014, at 7 (Order No. 2243).

concerns... .”¹⁶ Third, the Postal Service must correctly identify the experimental product as either market dominant or competitive. 39 U.S.C. § 3641(b)(3).

In Order No. 2224, the Commission found that Customized Delivery met the requirements of section 3641(b). Order No. 2224 at 21. The Public Representative notes that the extension does not affect compliance with 39 U.S.C. §§ 3641(b)(1) and (3) because Customized Delivery has not changed. PR Comments at 4 n.14. The Commission agrees. Customized Delivery continues to be a “significantly different” product that is correctly characterized as competitive. The Postal Service represents that it “does not plan to make any changes to the parameters of the market test at this time.” July 21, 2016, Responses to CHIR No. 7, question 1.

The Commission must determine whether extending the Customized Delivery market test will cause market disruption under section 3641(b)(2). The phrase “introduction or continued offering” in section 3641(b)(2) requires the Commission to evaluate for potential market disruption during the entire duration of the market test to ensure continued compliance with this requirement. Order No. 2224 at 8.

In Order No. 2224, the Commission set forth a framework for analyzing market disruption. First, the Commission must identify the relevant market(s) by examining the description of Customized Delivery and the geographic areas where the Postal Service intends to operate during the requested extension period. *Id.* at 9. Second, the Commission must identify businesses that offer similar products or services in the relevant market(s). *Id.* at 10. Third, the Commission must evaluate whether the introduction or continued offering of Customized Delivery will create “an unfair or otherwise inappropriate competitive advantage for the Postal Service or any mailer... .” with regard to the service providers identified in step 2. *Id.* at 10; see 39 U.S.C. § 3641(b)(2). Fourth, the Commission must examine the market test’s impact on “small

¹⁶ 39 U.S.C. § 3641(b)(2). “Small business concern” is defined in 39 C.F.R. § 3001.5(v).

business concerns,” as defined in 39 C.F.R. § 3001.5(v), in the relevant market(s). Order No. 2224 at 11.

Applying this framework, the Commission found that the record contained no indication that introducing the Customized Delivery market test in the San Francisco metropolitan area would cause market disruption under section 3641(b)(2). *Id.* at 12. In FY 2015 and FY 2016, the Postal Service notified the Commission when it intended to expand into new geographic areas. See n.3, *supra*. In each case, the Commission requested additional information when needed¹⁷ and concluded that the expansion would not cause market disruption under 39 U.S.C. § 3641(b)(2) and Order No. 2224.

The Postal Service represents that it is not expanding into new markets right now. August 23, 2016, Responses to CHIR No. 7, question 4.a-b. It observes that the markets in which it currently operates are served by dozens of grocery delivery service providers. *Id.* It asserts that other providers are testing various operational models, and merchants are experimenting with various providers. *Id.* The Postal Service concludes that its presence in current markets will not cause any market disruption. *Id.*

Although the Postal Service intends to further expand this market test, it has not yet finalized when and where it will undertake these expansions. Thus, the Commission’s conclusions about market disruption in Order No. 2224 and for the expansions that have already occurred remain unchanged. Also, the Public Representative asserts that the extension appears consistent with 39 U.S.C. § 3641. PR Comments at 6. For these reasons, the Commission concludes that extending the Customized Delivery market test will not cause market disruption under 39 U.S.C. § 3641(b)(2). As discussed below, the Commission directs the Postal Service to continue providing advance notice under 39 C.F.R. § 3035.6 at least 10 days before expanding the market test into a new geographic area. See section IV.B, *infra*.

¹⁷ See, e.g., Chairman’s Information Request No. 6, January 28, 2016.

3. Commission Regulations

The Request must comply with 39 C.F.R. § 3035.11(b), which contains requirements for extension requests. First, the Request must explain why an extension is necessary to determine the feasibility or desirability of Customized Delivery. 39 C.F.R. § 3035.11(b)(1). Although the Postal Service did not provide a full explanation of why the extension is necessary in its Request, it did provide a more complete explanation in its responses to CHIRs.¹⁸ As previously discussed, the Postal Service provided sufficient justification to extend the market test. See section IV.A.1, *supra*.

Second, the Request must list the market test's new end date. The Postal Service seeks to extend the Customized Delivery market test until October 31, 2017. Request at 2. The new expiration date is consistent with 39 U.S.C. § 3641(d), which permits the Commission to extend market tests "for not to exceed an additional 12 months." 39 U.S.C. § 3641(d)(2).

Third, the Request must calculate the total revenue the Postal Service received from the Customized Delivery market test for each fiscal year the market test has been operating. 39 C.F.R. § 3035.11(b)(3). It must also estimate additional revenue the Postal Service anticipates receiving for each fiscal year remaining on the market test, including the extension period. 39 C.F.R. § 3035.11(b)(4). The Postal Service must provide supporting documentation for calculating total revenue received and for estimating additional revenue (if available). 39 C.F.R. § 3035.11(b)(3) and (4).

The Customized Delivery market test began on November 1, 2014. Thus, the Postal Service must calculate total revenue received in FY 2015 and FY 2016 to date. It must also estimate additional revenue it anticipates receiving for the rest of FY 2016, FY 2017, and FY 2018. The Postal Service filed this information under seal with supporting documentation. August 18, 2016, Responses to CHIR No. 7, question 3.a.

¹⁸ See July 21, 2016, Responses to CHIR No. 7, questions 1, 2.

Fourth, the Postal Service must provide further information necessary for the Commission to evaluate continued consistency with 39 U.S.C. § 3641. 39 C.F.R. § 3035.11(b)(5). To the extent the Request was missing information, the Postal Service provided this information in CHIR responses. The Public Representative comments that the Request lacked information required by Commission regulations and Order No. 2224. PR Comments at 8. She notes that issuing CHIR No. 7 was necessary for the Commission to evaluate the Request and asserts that the Postal Service's late responses hindered meaningful public participation in this docket. *Id.* The Public Representative states that filing incomplete documents with the Commission harms regulatory efficiency and transparency. *Id.*

The Commission agrees that the Postal Service should have included all necessary information in the Request to circumvent the need for issuing a CHIR to obtain this information. However, the Commission also acknowledges that the Postal Service filed the Request well before the statutory deadline in 39 U.S.C. § 3641(d)(2). Although the Postal Service filed some late responses to CHIR No. 7, the record in this docket was complete before the statutory deadline, and the comment deadline was extended to allow for consideration of the CHIR responses. See Order No. 3448. As a result, no parties were prejudiced by the delays in this docket. Nonetheless, the Commission directs that future filings in this docket, including geographic expansion notices and data collection reports, be complete when filed.

4. Conclusion

For the reasons discussed above, the Commission finds that the extension is consistent with the requirements of 39 U.S.C. § 3641. Accordingly, the Commission authorizes the extension of the Customized Delivery market test for an additional 12 months. The market test will expire on October 31, 2017, unless the market test is cancelled in accordance with 39 C.F.R. § 3035.12(a).

B. Geographic Expansion

The Postal Service states that it intends to expand the Customized Delivery market test to other markets during the extension. Request at 1. It confirms it will notify the Commission before entering into any new markets and provide information for each new market.¹⁹ The Public Representative recommends that the Postal Service provide notice of material changes to the market test or the services offered, including geographic expansions and data collection reports, with sufficient supporting information. PR Comments at 6-7.

In Order No. 2224, the Commission stated that it cannot assess continued compliance of the Customized Delivery market test with section 3641(b)(2) without knowing the additional geographic areas where the market test will operate. Order No. 2224 at 12. The Commission directs the Postal Service to continue providing advance notice under 39 C.F.R. § 3035.6 at least 10 days before expanding the market test to a new geographic area.²⁰ At a minimum, such notices must include:

- The geographic area(s) where the Postal Service intends to offer Customized Delivery during the market test;
- Examples of businesses that offer similar products or services in these geographic areas;
- The range of prices these businesses charge for similar products and services; and
- A description of the expansion's impact on small business concerns.

¹⁹ August 23, 2016, Responses to CHIR No. 7, questions 4.a-b., 5.b.

²⁰ See 39 C.F.R. § 3035.6; Order No. 2224 at 12-13. 39 C.F.R. § 3035.6 also requires the Postal Service to provide advance notice of other material changes made to the market test that may affect compliance with 39 U.S.C. § 3641.

Order No. 2224 at 13. An example of the level of detail required can be found in the Postal Service's responses to CHIR No. 6.²¹ As previously discussed, geographic expansion notices must be complete when filed. See section IV.A.3, *supra*.

The Public Representative recommends that the Commission review geographic expansion notices to assess market disruption before entering into a new market. PR Comments at 7. The Commission will continue to analyze these notices to ensure continued compliance with 39 U.S.C. § 3641(b)(2) and Order No. 2224.

C. Data Collection Plan

A market test must include a data collection plan for gathering information during the test. 39 C.F.R. §§ 3035.3(a)(2)(vi); 3035.20. Order No. 2236 contains the data collection plan for the Customized Delivery market test.²² It requires the Postal Service to provide certain information, disaggregated by fiscal quarter, for each metropolitan area tested. *Id.* at 2-3. Data collection reports are due within 40 days after the close of each fiscal quarter. *Id.* To date, the Postal Service has submitted five data collection reports.²³ During the extension, the Postal Service plans to collect the same data that it currently collects. July 21, 2016, Responses to CHIR No. 7, question 2.b.

In some cases, the data collection reports did not include all information required by the data collection plan. As a result, CHIRs were issued to obtain the necessary information. For example, CHIR No. 7 contained a table illustrating how to disaggregate the requested data by metropolitan area. CHIR No. 7, Attachment. To help the

²¹ See Responses of the United States Postal Service to Chairman's Information Request No. 6, February 8, 2016.

²² Order Updating Data Collection Plan for the Customized Delivery Market Test, October 31, 2014 (Order No. 2236).

²³ See Customized Delivery Data Collection Report, Fiscal Year 2015, Quarter 1, April 10, 2015; Customized Delivery Data Collection Report, Fiscal Year 2015, Quarter 2, June 5, 2015; Customized Delivery Data Collection Report, Fiscal Year 2015, Quarter 3, October 9, 2015; Customized Delivery Data Collection Report, Fiscal Year 2015, Quarter 4, December 8, 2015; Customized Delivery Data Collection Report, Fiscal Year 2016, Quarters 1 and 2, July 7, 2016. The Postal Service filed Fiscal Year 2016, quarter 3 data in a CHIR response. August 18, 2016, Responses to CHIR No. 7, question 6.

Commission monitor the extension and any expansion, the Public Representative suggests that the Postal Service report quarterly data using the table in the attachment to CHIR No. 7. PR Comments at 7. She contends that disaggregated data is essential because Customized Delivery's permanent product potential, long-term demand, and pricing may vary by market and recommends that the data collection report explain assumptions underlying operational labor costs for each market and include the number of participating retailers for each market. *Id.* at 7-8.

This Order updates the data collection plan. The Postal Service should file future quarterly data collection reports using the table in Attachment A. The table incorporates the Public Representative's suggestions, including the number of participating retailers and assumptions underlying operational labor costs. This additional information will help the Commission evaluate the market test's growth as well as potential market disruption in each market. If the Postal Service expands the market test, it should add another column for each new market. The Postal Service should also disaggregate data by metropolitan area (rather than by state or region) and provide separate tables for each quarter.

The Postal Service should continue filing data collection reports within 40 days after the close of each fiscal quarter during which the Customized Delivery market test is conducted. See Order No. 2236 at 2. The Postal Service has filed incomplete data collection reports in this docket.²⁴ As previously discussed, future data collection reports in this docket must be complete when filed. See section IV.A.3, *supra*. Data or information may be filed under protective conditions to prevent disclosure of commercially sensitive material. The next data collection report for quarter 4 of FY 2016 is due on November 9, 2016.

²⁴ See, e.g., Response of the United States Postal Service to Chairman's Information Request No. 5, with Portion Under Seal, January 5, 2016.

D. Revenue Limitation

Total revenue anticipated or received by the Postal Service from the Customized Delivery market test must not exceed \$10 million in any fiscal year.²⁵ The Commission may exempt a market test from this revenue limitation if certain requirements are met. 39 U.S.C. § 3641(e)(2); 39 C.F.R. § 3035.16. If the Postal Service expects total revenue to exceed this limitation in FY 2017 or FY 2018, it should apply for an exemption at least 45 days before it expects total revenue to exceed the limitation. See 39 C.F.R. § 3035.16(e). The Postal Service should file the application under 39 U.S.C. § 3641(e)(2) and 39 C.F.R. § 3035.16, and must demonstrate that total revenue is likely to exceed the limitation. See Order No. 2224 at 18.

V. CONCLUSION

For the reasons discussed above, the Commission finds that the extension is consistent with the requirements of 39 U.S.C. § 3641. Accordingly, the Commission authorizes the extension of the Customized Delivery market test for an additional 12 months. The market test will expire on October 31, 2017, unless the market test is cancelled in accordance with 39 C.F.R. § 3035.12(a). The Commission directs the Postal Service to continue providing advance notice under 39 C.F.R. § 3035.6 at least 10 days before expanding the market test into other geographic areas.

²⁵ 39 U.S.C. § 3641(e)(1); 39 C.F.R. § 3035.15(b). The \$10 million revenue limitation is adjusted annually for inflation. 39 U.S.C. § 3641(g); 39 C.F.R. § 3035.15(c).

VI. ORDERING PARAGRAPHS

It is ordered:

1. Based on the record before it, the Commission finds that extending the Customized Delivery market test is consistent with the requirements of 39 U.S.C. § 3641.
2. The Commission authorizes the extension of the Customized Delivery market test for an additional 12 months. The market test will expire on October 31, 2017, unless the market test is cancelled in accordance with 39 C.F.R. § 3035.12(a).
3. The Commission directs the Postal Service to continue providing advance notice under 39 C.F.R. § 3035.6 at least 10 days before expanding the market test into other geographic areas.
4. The data collection plan for the Customized Delivery market test is updated as described in the body of this Order.
5. The Postal Service shall continue to file data collection reports, as described in the body of this Order, within 40 days after the close of each fiscal quarter during which the Customized Delivery market test is conducted.
6. Geographic expansion notices and data collection reports must be complete when filed.
7. The Postal Service should apply for an exemption as described in the body of this Order if it expects total revenue to exceed the \$10 million revenue limitation in FY 2017 or FY 2018.

8. Revisions to the Mail Classification Schedule appear below the signature of this Order and are effective immediately.

By the Commission.

Ruth Ann Abrams
Acting Secretary

CHANGES TO THE MAIL CLASSIFICATION SCHEDULE

The following material represents a change to the Mail Classification Schedule. The Commission uses two main conventions when making changes to the Mail Classification Schedule. New text is underlined. Deleted text is struck through.

Part B—Competitive Products **2000 Competitive Product List**

2800 **Market Tests**

2803 **Customized Delivery**

Reference

Docket No. MT2014-1

PRC Order No. 2224, October 23, 2014

Expires

~~November 1, 2016~~ October 31, 2017

**Attachment A
Fiscal Year 201*, Quarter***

	Operational Performance	San Francisco	Los Angeles	San Diego	New York	Sacramento	Stamford	Las Vegas	Quarter* Total
1	Total revenues								
2	Attributable costs								
3	Number of deliveries (stops)								
4	Additional fees charged per delivery								
5	Number of addresses delivered to								
6	Number of packages dropped off for each delivery (stop)								
7	Total number of packages delivered								
8	Work hours								
9	Total estimated miles								
10	Total estimated travel time in hours								
11	Operational labor costs ²⁶								
12	Operational vehicle costs								
13	Total operational costs								
14	Administrative costs ²⁷								
15	Number of Participating Retailers								

²⁶ Please explain the assumptions underlying operational labor costs for each market, including any differences in delivery costs. Please identify the number of pieces delivered by Regular City Carriers and City Carrier Assistants.

²⁷ Please include startup-costs, product specific costs related to the administration of the market test, and costs of dedicated delivery routes.