

Before the  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Rate Adjustment Due to Extraordinary or  
Exceptional Circumstances

Docket No. R2013-11

NOTICE OF REVISIONS TO PUBLIC REPRESENTATIVE  
COMMENTS IN RESPONSE TO THE EXIGENT REQUEST  
OF THE UNITED STATES POSTAL SERVICE—ERRATA

(December 2, 2013)

On November 26, 2013, the Public Representative filed Public Representative Comments in Response to the Exigent Request of the United States Postal Service as permitted by Order No. 1847. Attached is revised page 29 of these comments correcting an error in footnote 23. “removing HP Trend values” is changed to “setting non-lagged, HP Cyclical values equal to zero”.

Respectfully submitted,

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**Table IV-2**  
**Volume Losses Estimated by the Public Representative**  
**versus Postal Service Estimates Compared to FY 2007 Volume**

<b>Public Representative</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
First-Class Mail	(712.9)	(1,472.6)	(2,070.5)	(2,386.0)	(2,454.1)	(2,454.1)	(2,454.1)
Standard Mail	(2,447.0)	(10,905.9)	(10,962.8)	(10,962.8)	(10,962.8)	(10,962.8)	(10,962.8)
Periodicals Mail	(167.2)	(358.1)	(508.9)	(591.9)	(610.7)	(610.7)	(610.7)
Package Services	(0.4)	(3.7)	(3.7)	(3.7)	(3.7)	(3.7)	(3.7)
<b>Total Market Dominant Mail</b>	<b>(3,327.4)</b>	<b>(12,740.4)</b>	<b>(13,545.9)</b>	<b>(13,944.4)</b>	<b>(14,031.4)</b>	<b>(14,031.4)</b>	<b>(14,031.4)</b>
<b>Postal Service Revised</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
First-Class Mail	(3,926.9)	(10,037.0)	(15,031.7)	(19,044.0)	(22,590.2)	(25,893.0)	(29,063.9)
Standard Mail	(6,960.2)	(23,928.6)	(25,989.5)	(27,397.0)	(29,121.5)	(30,787.3)	(32,462.2)
Periodicals Mail	(165.3)	(682.4)	(1,161.4)	(1,356.6)	(1,623.0)	(1,876.6)	(2,118.0)
Package Services	(8.7)	(94.3)	(133.3)	(166.3)	(193.9)	(215.8)	(233.6)
<b>Total Market Dominant Mail</b>	<b>(11,061.1)</b>	<b>(34,742.3)</b>	<b>(42,315.9)</b>	<b>(47,963.9)</b>	<b>(53,528.7)</b>	<b>(58,772.8)</b>	<b>(63,877.6)</b>

Mr. Thress also combines a variable titled “Qtrs pre-End” with a linear trend variable that begins in the first quarter of 2001.<sup>22</sup> Since the interventions relevant to this case begin in 2008, the Public Representative initialized the trend to the first quarter of 2008, and made all trend values prior to 2008 equal to zero. Otherwise, this linear trend would include volume losses prior to the current recession. Table IV-2 shows the PR’s estimate of exigent volume losses are approximately one-half of those estimated by the Postal Service each year.<sup>23</sup>

<sup>22</sup> See Response to POIR No. 6, question 14, spreadsheet entitled “POIR.6.Q.14.S-O-C.Calcs.xlsx,” worksheet “Intervention,”

<sup>23</sup> The Public Representative’s modifications include: setting non-lagged, HP Cyclical values equal to zero, removing - step, delta, and trend – values from the intervention variable, and reinitializing the trend pertaining to the variable Qtrs pre-End to begin in 2008. The Public Representative recognizes that the volumes obtained in this manner are approximations. The correct method would rerun Mr. Thress’s programs with the correct values and variables, and methods. The volume losses presented by the Public Representative should be considered lower bound estimates.