

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2016

Docket No. ACR2016

CHAIRMAN'S INFORMATION REQUEST NO. 30

(Issued May 31, 2017)

To clarify the basis of information provided by the Postal Service in response to Chairman's Information Request No. 13¹ and its 30-day report,² the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than June 7, 2017.

1. Please refer to the 30-Day Report.
 - a. The Postal Service states that it was renegotiating an amendment to Priority Mail Contract 160, which would include increased prices. 30-Day Report at 2. It also states that the amendment would be signed and filed with the Commission within approximately one month. *Id.* To date, the Postal Service has not filed an amendment to Priority Mail Contract 160. Please provide an updated status for a Priority Mail Contract 160 amendment. If the Postal Service no longer plans to file an amendment, please explain the corrective actions taken or the actions the Postal Service plans to take to improve cost coverage.

¹ Responses of the United States Postal Service to Questions 1-15 of Chairman's Information Request No. 13, February 10, 2017, question 12 (Response to CHIR No. 13).

² First Response of the United States Postal Service to Commission Requests for Additional Information in the FY 2016 Annual Compliance Determination, April 27, 2017 (30-Day Report).

- b. The Postal Service states that it performed an updated study on Parcel Return Service Contract 10 and was analyzing the data collected during this study. *Id.* It also states that it would negotiate an amendment with increased prices or submit a revised financial analysis reflecting the customer's package characteristics based on its recent study. *Id.* at 2-3. To date, the Postal Service has not filed an amendment to Parcel Return Service Contract 10 or revised financial workpapers. Please provide the status of a Parcel Return Service Contract 10 amendment or revised financial workpapers.
2. Please refer to Response to CHIR No. 13, question 12. The Postal Service reports that it planned to terminate Priority Mail Contract 183 and Priority Mail Contract 228. The Postal Service states that it planned to send termination letters for both agreements in February 2017 and that the effective dates of these terminations would be in March 2017. Response to CHIR No. 13, question 12.a. To date, the Postal Service has not filed the required notices of termination in the appropriate dockets.³ Please confirm that the Postal Service terminated these agreements.
 - a. If confirmed, please file notices of termination in the appropriate dockets.
 - b. If not confirmed, please explain. Additionally, please discuss the corrective actions taken or the actions the Postal Service plans to take to improve cost coverage.
3. Please refer to Response to CHIR No. 13, question 12. The Postal Service states that it stopped delivering packages under Priority Mail Contract 214 on February 7, 2017. Response to CHIR No. 13, question 12.b. The Postal Service also states that it planned to terminate the agreement. *Id.* To date, the Postal

³ See Docket Nos. MC2016-67 and CP2016-82, Order No. 2988, Order Adding Priority Mail Contract 183 to the Competitive Product List, January 6, 2016; at 6-7; Docket No. MC2016-157 and CP2016-228, Order No. 3415, Order Adding Priority Mail Contract 228 to the Competitive Product List, July 6, 2016, at 6-7.

Service has not filed the required notice of termination in the appropriate dockets.⁴ Please confirm that the Postal Service terminated this agreement.

- a. If confirmed, please file a notice of termination in the appropriate dockets.
- b. If not confirmed, please discuss the corrective actions taken or the actions the Postal Service plans to take to improve cost coverage.

By the Chairman.

Robert G. Taub

⁴ See Docket Nos. MC2016-131 and CP2016-167, Order No. 3419, Order Conditionally Approving Request to Add Priority Mail Contract 214 to the Competitive Product List and Notice of Filing Non-Public Annex Under Seal, July 8, 2016, at 8, 10; Docket No. CP2016-167, Order No. 3657, Order Approving Amendment to Priority Mail Negotiated Service Agreement, December 12, 2016, at 3.