

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES
PRIORITY MAIL CONTRACT 11 (MC2009-28)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2009-38

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO COMMISISON'S REQUEST FOR SUPPLEMENTAL INFORMATION
IN ORDER NO. 223**

The United States Postal Service hereby provides the supplemental information requested in Order No. 223. Each question is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

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1.
 - (a) Please explain the cost adjustments made to each contract;
 - (b) Explain the mailer activities or characteristics that:
 - (i) yield cost savings to the Postal Service,
 - (ii) impose additional costs on the Postal Service;
 - (c) Please address every instance where an NSA partner's cost differs from the average cost.

RESPONSE:

Explanations for the cost adjustments and descriptions of the mailer activities and characteristics that affect costs are provided in the updated notes of the analysis workbook, filed under seal.

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2. (a) Please provide a timeframe of when NSA partner volumes and cubic feet measurements were collected for each contract.

(b) Please provide a unit of analysis for volumes in each contract, *e.g.*, whole numbers, thousands, etc.

RESPONSE:

(a) The volumes and cubic feet measurements were for calendar year 2008.

(b) Whole numbers.

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3. In the Excel files accompanying the instant contract, unit transportation costs are hard coded (See tab: "Partner Unit Cost" rows 18 and 19). Please provide up-to-date sources and show all calculations.

RESPONSE:

The Excel files for this contract have been updated as requested, and are filed under seal.