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

Annual Compliance Report, 2009 Docket No. ACR2009

CHAIRMAN'S INFORMATION REQUEST NO. 7

(Issued February 26, 2010)

To clarify the basis of the Postal Service's estimates in its Annual Compliance Report, filed December 29, 2009, the Commission requests the Postal Service to provide written responses to the following questions. Answers should be provided to individual questions as soon as they are developed, but no later than March 3, 2010.

1. Please refer to File 3Q09BPM Mail BDs_Part A.xlsx, tab: Presort Flats BD filed in response to Chairman's Information Request No. 1, question 14. Please confirm that the reported figure for Nonpresort Zone 3 Carrier Route pieces is -4,554. If confirmed, please explain the negative billing determinant. If not confirmed, please provide updated billing determinants for parts A and B of quarter 3.

2. In Docket Nos. ACR2007 and ACR2009, attributable cost, revenue, contribution, and volume figures are shown for several competitive product groupings. These figures were not filed publicly in Docket No. ACR2008. Please provide public FY 2008 cost, revenue, and volume figures for "Total Express Mail," "Total Priority Mail," "Total Ground," "Total Competitive International," and "Total Competitive Services." *See* USPS-FY09-1.

3. The following questions concern the file STD_DEST_ENT_FLATS.xls.

(a) Please reconcile the Carrier Route Volumes in file "STD_DEST_ENT_FLATS.xls" tab "CR Dist Key" with the volumes in LR-FY09-4 "09 Standard Mail.xls," specifically Carrier Route Letters.

(b) In Docket No. ACR2009, the file "STD_DEST_ENT_FLATS.xls" tab "Factor Inputs" cell g44 uses the Premium Pay Factor for all Standard Mail, whereas in the same file for Docket No. ACR2008 the Premium Pay Factor for Standard Flats was used. Please explain the rationale for this change.

4. As filed in Docket No. R2009-3, the following mailer accept codes are used in the file "PRC Report V1.xls" tab 'Monthly data,' but do not appear in the tab 'Rebate data':

001590	016120	518577	800134
004799	019205	520966	034082443
006282	024842	525947	800104D
006769	029428	800069	
014221	511212	800124	

Please explain why there are no rebate calculations for these mailers.

5. As filed in Docket No. R2009-3, the following mailer accept codes are used in the file “PRC Report V1.xls” tab ‘Monthly data’:

000825	001803	003771	008567	011999	014455
000863	001893	003907	009518	012090	015861
000921	001980	004519	009632	012128	016086
000944	002158	004916	009736	012298	016942
001022	002388	004975	010361	012777	017858
001201	002828	005055	010404	013219	018240
001233	003280	005651	010462	013494	019302
001244	003407	006186	010687	013497	021016
001294	003433	006765	011403	013530	021050
001297	003600	007010	011726	014276	021124
021219	026921	141806	800067	800238	800206C
021241	027149	511686	800076	012547203	800213D
021243	027200	512139	800111	013102773	800226B
022332	028052	514688	800121	000001Z	
022503	028759	514764	800123	000002Z	
023285	028778	516792	800157	000009Z	
023721	028912	520366	800165	000014Z	
024311	029038	800009	800170	026083B	
026170	101285	800053	800181	800183B	
026291	123048	800062	800208	800206B	

(a) Please confirm that, for the accept codes above, the Standard Mail Product data used in the calculation of the rebates (October 2007 to March 2008 Volume, October 2008 to March 2009 Volume, July 2008 to September 2008 Volume, July 2009 to September 2009 Volume, October 2009 Volume, July 2009 to September 2009 Revenue) contain negative values.

(b) Please explain why these mailers have negative values for volume and revenue data.

(c) Please explain why some of the mailers with negative data are included in the rebate calculations in tab ‘Rebate data’ (*e.g.,* 000825) and some are not included (*e.g.,* 000921).

(d) Please explain how the data for the mailers with negative data were adjusted for use in the tab ‘rebate data’.

6. Please refer to file “PRC Report V1.xls” tab ‘Monthly data’ as filed in Docket No. R2009-3.

   (a) Please provide a list of all mailers with negative data.

   (b) Please explain all adjustments made in the calculation of rebates.

7. The following table calculates the Summer Sale volume threshold for the first mailer in the file “PRC Report V1.xls” tab ‘Monthly data’ and compares that value with the hardcoded value in the tab ‘Rebate data.’

		Volume October 2007	Volume November 2007	Volume December 2007	Volume January 2008	Volume February 2008	Volume March 2008	FY08Q1-Q2
000010	Commercial Carrier Route Flats	6,137,751	2,560,319	-	17,742,474	3,015,075	2,515,188	31,970,807
000010	Commercial Carrier Route Letters	77,366	339,228	-	1,705,333	444,426	230,942	2,797,295
000010	Commercial Presort Flats	3,205,928	771,563	-	2,379,496	957,740	873,580	8,188,307
000010	Commercial Presort Letters	27,471,290	17,681,640	15,382,434	53,540,180	21,403,147	30,781,233	166,259,924
000010	Nonprofit Presort Flats	-	-	-	-	-	-	-
000010	Nonprofit Presort Letters	-	-	-	-	-	-	-
000010	Total Standard Mail							209,216,333
		Volume July 2008	Volume August 2008	Volume September 2008	FY08 Q4			
000010	Commercial Carrier Route Flats	9,665,932	2,297,808	1,342,268	13,306,008			
000010	Commercial Carrier Route Letters	-	-	-	-			
000010	Commercial Presort Flats	1,626,590	837,102	990,931	3,454,623			
000010	Commercial Presort Letters	19,340,519	16,035,939	18,109,062	53,485,520			
000010	Nonprofit Presort Flats	-	-	-	-			
000010	Nonprofit Presort Letters	-	-	-	-			
000010	Total Standard Mail				70,246,151			
		Volume October 2008	Volume November 2008	Volume December 2008	Volume January 2009	Volume February 2009	Volume March 2009	FY09Q1-Q2
000010	Commercial Carrier Route Flats	4,841,868	16,817	-	63,250	58,189	-	4,980,124
000010	Commercial Carrier Route Letters	-	-	-	-	-	-	-
000010	Commercial Presort Flats	1,693,540	653,976	-	1,259,662	717,261	-	4,324,439
000010	Commercial Presort Letters	20,250,685	12,925,900	10,004,476	17,216,214	9,178,281	11,573,572	81,149,128
000010	Nonprofit Presort Flats	-	-	-	-	-	-	-
000010	Nonprofit Presort Letters	-	-	5,707	-	-	-	5,707
000010	Total Standard Mail							90,459,398
	FY08Q1-Q2	FY08 Q4	FY09Q1-Q2	Calculated Threshold	'Rebate Data' Threshold	Difference		
000010	209,216,333	70,246,151	90,459,398	30,372,507	31,653,521	(1,281,014)		

   (a) Please provide the tab ‘Rebate data’ using formulas linked to the data in the tab ‘Monthly data.’

(b) Please identify the number of mailers for which the “Summer Threshold” in the tab ‘Rebate data’ does not match the threshold calculated from the data in the tab ‘Monthly data.’

(c) Please explain why these thresholds do not match, and their effect on the discount paid to mailers.

8. The following question seeks to clarify information provided by the Postal Service in its response to CHIR 3, question 6. Please assume that multiple collection boxes at the same location are counted as a single box. For each weekday and Saturday, please provide the percentage of collection boxes for which the last mail pick-up time is in each of the following time periods.

(a) Midnight to 11:59 AM;

(b) Noon to 2:59 PM;

(c) 3:00 PM to 4:59 PM;

(d) 5:00 PM to 6:59 PM; and

(e) 7:00 PM to 11:59 PM.

9. Please refer to the Excel data file provided in support of the Postal Service’s response to CHIR 3, question 9 (CHIR.3.Q.9.EmergSusp.xls). It appears that duplicative information is provided for the Harwick, Iowa office. Please clarify the correct status.

10. Please refer to the Postal Service’s response to CHIR 3, question 2 and responses to questions 1 through 4 of CHIR No. 3, Errata, filed February 8, 2010. Please confirm that the following data for 3-digit ZIP Code pair upgrades and downgrades are correct. If not confirmed, please explain.

Summary Table of Package Services 3-Digit ZIP Code Pair
Upgrades and Downgrades

	FY 2009 Upgrades	FY 2009 Downgrades	FY 2009 Changes
Package Services:			
Origin Entry	596	241	837
Dropshipped	3	99	102
Total	599	340	939

11. Please refer to both the FY 2009 Annual Compliance Report (ACR) at 15 and library reference USPS-FY09-17 (LR) at 45. The ACR at 15 indicates that "5,400 completed surveys for Large Business customers, and 5,700 completed surveys for Residential and Small Business customers [were obtained] throughout the year." However, the LR at 45 indicates "[s]lightly over one million residential and about 391,000 small businesses responded to the [Customer Satisfaction Measurement] surveys." Please reconcile the differences in the quantity of customer survey responses reported.

By the Chairman.

Ruth Y. Goldway