

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

Notice of Market-Dominant  
Price Adjustment

Docket No. R2013-10

CHAIRMAN'S INFORMATION REQUEST NO. 7

(Issued October 28, 2013)

To clarify the Postal Service's planned market dominant price adjustments in its Notice of Market Dominant Price Adjustment, filed September 26, 2013, the Postal Service is requested to provide written responses to the following questions. Answers should be provided no later than November 1, 2013.

1. Please describe the new Every Door Direct Mail – Commercial rate category. In particular, explain how the new rate category differs from Saturation Mail and Every Door Direct Mail – Retail. In addition, please provide the supporting workpapers used to develop the volumes for the new rate category presented in USPS-LR-R2013-10/2.
2. Are the proposed Flats Sequencing System (FSS) Facility Discounts for Standard Mail, Periodicals, and Bound Printed Matter (BPM) workshare discounts? Please explain.
3. Regarding the FSS Facility Discounts for Standard Mail, Periodicals and BPM, please:
  - a. Provide all data, economic analyses, and other information relied on to justify the discounts.

- b. Provide the rationale for setting the Standard Mail FSS prices equal to the rates for 5-digit Flats, High Density flats, High Density Plus flats and Carrier Route Flats.
    - c. Discuss the rationale for setting the Periodicals FSS prices equal to the destination sectional center facility prices.
4. The Postal Service has proposed the addition of Zone 9 prices for Periodicals, BPM Flats, and BPM Parcels.
  - a. Please provide a narrative explaining the new Zone 9 prices and the rationale for developing the new prices.
  - b. Please explain who will be likely to pay Zone 9 prices.
  - c. Please confirm that this change was not included in the Postal Service's description of Mail Classification Schedule (MCS) changes. If not confirmed, please provide a citation to the discussion of this MCS change.
5. Please refer to the response to CHIR No. 1, question 2, CHIR.1.Q.2.Attach.B.Workshare.xls, tab 'Media Mail & Library Mail' and confirm that for both Media Mail and Library Mail, the Avoided Costs of Basic and 5-digit are transposed. Please provide a revised version of the spreadsheet, and also a revised discussion of the worksharing passthroughs for this product, including a justification for setting the discount for Basic presort in excess of avoided costs, and for setting the discount for 5-digit presort substantially below the avoided cost. See 39 C.F.R. § 301012(b)(6).

By the Chairman.

Ruth Y. Goldway