

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

COMPETITIVE PRODUCTS PRICE CHANGES
RATES OF GENERAL APPLICABILITY

Docket No. CP2014-5

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 1**

(November 22, 2013)

The United States Postal Service hereby provides its responses to Chairman's Information Request No. 1, which was issued on November 19, 2013. Responses were due by November 22, 2012. Each question is reprinted verbatim and is followed by the Postal Service's response. A response to Question 5 is forthcoming. One Excel file associated with the Postal Service's response to Question 7 has been provided under seal. The Postal Service herein incorporates by reference its Application for Non-Public Treatment in this docket for the protection of the material filed under seal.

Respectfully submitted,

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November 22, 2013

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1. In its Notice at 2, the Postal Service discusses “new products or price categories introduced” in this proceeding. Please identify the new products that are being introduced in this proceeding, and for each new product identified, provide the information required by 39 C.F.R. § 3020.30 et seq.

RESPONSE:

No new products are being introduced in this proceeding.

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2. On pages 15, 32, 62, 81, 83, and 87 of the Attachment to Governors' Decision 13-2 (Attachment), the Postal Service proposes an "IMpb Noncompliance Fee" of \$0.20 for "each IMpb-noncompliant commercial parcel."
 - a. Please explain the meaning of "commercial parcel."
 - b. Please provide a definition of "commercial parcel" for inclusion in the Mail Classification Schedule (MCS), Part C, Glossary of Terms and Conditions.

RESPONSE:

- a. The "commercial parcel" term in the cited sections refers to parcels within the specified competitive products where postage is paid for at commercial prices, and that are required to contain an IMpb per the DMM.
- b. *Commercial Parcel*
Any parcel that is eligible for commercial postage prices based on the requirements outlined in the DMM.

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3. On page 33 of the Attachment, the Minimum Volume Requirements for some Nonpresort Parcel Select packages are altered. Please confirm that the proposal is intended to set a minimum volume requirement of 50 pieces or 50 pounds per mailing for all Nonpresort Parcel Select packages. If not confirmed, please explain.

RESPONSE:

Confirmed.

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4. Governors' Decision 13-2 states that customers shipping Standard Post packages to Zones 1-4 will receive Priority Mail service, unless the package "contains hazardous material or is otherwise not permitted to travel by air transportation." On page 86 of the Attachment, a new footnote to the Standard Post price table states that "[p]rices for Zones 1-4, up to 70 pounds, applicable only to Hazmat, Lives, or other required ground-only mail." Please confirm that the following revision to footnote 1 of the Standard Post MCS price table accurately reflects the Postal Service's proposal. If not confirmed, please explain.

1. The Zone 1-4 prices for parcels weighing up to 70 pounds are applicable only to parcels containing hazardous or other material not permitted to travel by air transportation.

RESPONSE:

Confirmed.

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6. In the FY 2012 Annual Compliance Determination Report (ACD), the Commission directed the Postal Service to file a methodology for estimating the attributable costs of the Package Intercept Service, in a rulemaking prior to incorporating the methodology in its FY 2013 ACD (ACD at 163). Please describe the progress that the Postal Service has made in developing a methodology for estimating the attributable costs of Package Intercept Service.

RESPONSE:

The Postal Service is in the process of leveraging technology to significantly reduce manual handling for the processing of Package Intercept requests. Because of its very low volume and sporadic nature, it is too difficult and expensive to perform on-site special studies just for this service. The current cost methodology was developed by assuming an amount of time to perform the activities specified by current operating procedures. A more refined cost can be developed once the new procedures have been implemented.

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7. Please identify where in the Postal Service workpapers the costs associated with the enhancements to competitive Post Office Boxes are reported.

RESPONSE:

The costs associated with the enhancements to competitive Post Office Boxes are reported in the workbook "Competitive and Market Dominant P O Box Attributable Costs for Rollforward Linked to FY14" on tabs, "Comp. & MD POBox Costs," "Private Carrier Parcel Costs" and "No. of Parcels." This workbook is being filed under seal today. Please note that this calculation is based on Docket No. ACR2012, and does not reflect Proposal 7 in Docket No. RM2014-1.