

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

RATE ADJUSTMENT DUE TO EXTRAORDINARY
OR EXCEPTIONAL CIRCUMSTANCES

Docket No. R2013-11

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING
REVENUE COLLECTION REPORT FOR QUARTER 4 OF FISCAL YEAR 2014**
(November 18, 2014)

In accordance with Order No. 2075, issued on May 2, 2014,¹ the Postal Service hereby submits its report on the amount of exigent surcharge revenue collected for the quarter ending September 30, 2014 (“Revenue Collection Report” or “Report”).² As set forth in the Report filed with this pleading, the Postal Service collected \$495.8 million in exigent surcharge revenue in Q4 of FY2014. Since the exigent surcharge was implemented, the Postal Service has collected \$1.351 billion in cumulative surcharge revenue.³

Similar to its Revenue Collection Reports for Q2 and Q3 of FY2014, the Postal Service has rationally adjusted this quarter’s Report to reflect the effect of Postage In the Hands of the Public (“PIHOP Adjustment”). Consistent with the methodology outlined in the *Response of the United States Postal Service to Order No. 2075*, filed on

¹ Docket No. R2013-11, Order No 2075: Order Denying Stay and Establishing Schedule for Reporting Requirements, at 11 (May 2, 2014).

² The Revenue Collection Report is being filed with this pleading as *ExigSrchgRevREPORT(4Q14).xls*. Supporting workpapers are also being filed as: *ExigSrchgRevFCM(4Q14).xls*; *ExigSrchgRevSTM(4Q14).xls*; *ExigSrchgRevPER(4Q14).xls*; *ExigSrchgRevSPEC-SERV(4Q14).xls*; and *ExigSrchgRevPACK-SERV(4Q14).xls*. Finally, an excel workbook showing the cumulative surcharge revenue for Q2, Q3, and Q4 of FY2014 is being filed as *ExigSrchgRevCUMULATIVE(2Q+3Q+4Q14).xls*.

³ It is important to note that the cumulative surcharge revenue figure incorporates adjustments made in the Postal Service’s responses to questions 1-4 of Presiding Officer’s Information Request No. 13, filed on June 6, 2014. Accordingly, the cumulative surcharge revenue cannot be calculated by simply summing the total surcharge revenue reported in *ExigSrchgRevREPORT(2Q14).xls*; *ExigSrchgRevREPORT(3Q14).xls*; and *ExigSrchgRevREPORT(4Q14).xls*

May 15, 2015, the \$119.39 million PIHOP Adjustment is being evenly dividing across the six fiscal quarters during which the exigent surcharge is expected to remain in effect.⁴ Accordingly, in this Revenue Collection Report, the PIHOP Adjustment is shown as \$19.89 million.⁵

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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⁴ Docket No. R2013-11, Response of the United States Postal Service to Order No. 2075, at 2-3 (May15, 2014). The Postal Service is mindful that it may need to change the methodology used to calculate the PIHOP adjustment, if the Commission adopts a new methodology pursuant to the *Notice of Inquiry on Proposed Methodology to Calculate Adjustment to Surcharge Cap for Forever Stamps (PIHOP Adjustment)*, issued on November 5, 2014. In the Notice of Inquiry the Commission sought comments on an alternative methodology for calculating the PIHOP adjustment. Comments on the alternative methodology are due on November 19, 2014.

⁵ As the Postal Service has previously stated, should the exigent surcharge be collected at a faster rate than anticipated, the Postal Service would include the remaining value of the \$119.39 million PIHOP Adjustment in the final Revenue Collection Report filed with the Commission.