

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

COMPETITIVE PRODUCT PRICES  
PRIORITY MAIL EXPRESS & PRIORITY MAIL CONTRACT 10  
(MC2012-54)  
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2012-66

**RESPONSE OF UNITED STATES POSTAL SERVICE TO  
CHAIRMAN'S INFORMATION REQUEST NO. 1,  
WITH PORTIONS UNDER SEAL**  
(December 5, 2014)

The Postal Service hereby provides its response to Chairman's Information Request No. 1, issued December 2, 2014. A response was due no later than December 5, 2014. The request is attached and is followed by the Postal Service's response. The requested financial workpapers are being filed under seal, with a redacted version filed publicly along with the Postal Service's response. The Postal Service hereby incorporates by reference the Application for Non-Public Treatment originally filed in this docket, for the protection of the material that has been filed under seal.

Respectfully submitted,

UNITED STATES POSTAL SERVICE  
By its attorneys:

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December 5, 2014

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

**REQUEST:**

The Postal Service is requested to file updated financial workpapers demonstrating that the contract is projected to cover costs in FY 2014.

**RESPONSE:**

Please see the attached Excel file containing financials for FY 2014, which show the instant contract covers its costs, based on the latest available (FY 2013) costs inflated to FY 2014 for the volume shipped under the contract and the prices as specified in the contract. Please note, however, that this will be updated shortly in the Postal Service's Annual Compliance Report (ACR), currently in preparation, which is expected to be filed at the end of December 2014 with actual FY 2014 costs.