

UNITED STATES OF AMERICA  
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

CHAIRMAN'S INFORMATION REQUEST NO. 2

(Issued December 10, 2014)

Chairman's Information Request No. 1 (CHIR No. 1) issued December 2, 2014, requested the Postal Service to provide updated financial workpapers in order to assess whether "[c]hanging circumstances for volume, rates and average weight could affect the contract's projected financial performance." CHIR No. 1 at 1. In its response, the Postal Service provided updated financial workpapers that illustrated the cost coverage for Priority Mail packages, but did not include any updated financial information related to Priority Mail Express packages.<sup>1</sup>

It is unclear from the Postal Service Response to CHIR No. 1, whether the omission of updated data for Priority Mail Express packages was an inadvertent oversight or whether no Priority Mail Express packages were shipped during the second contract year.<sup>2</sup> Accordingly, the Postal Service is requested to clarify whether any Priority Mail Express packages were shipped during the second contract year, and, if so, to provide updated financial workpapers demonstrating that the contract was projected to cover costs in FY 2014. Alternatively, if no Priority Mail Express packages

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<sup>1</sup> Response of United States Postal Service to Chairman's Information Request No. 1, with Portions Under Seal, December 5, 2014 (Postal Service Response to CHIR No. 1).

<sup>2</sup> In its response to a Chairman's Information Request in the FY 2013 Annual Compliance Determination proceeding, the Postal Service confirmed that this contract had no mail shipped during the first contract year. See Docket No. ACR2013, Responses of the United States Postal Service to Questions 1-3b, 4-5, and 7-12 of Chairman's Information Request No. 5, February 11, 2014, question 12.

were shipped during the first and second year of the contract, please file updated financial workpapers demonstrating that the Priority Mail Express packages are projected to cover costs in FY 2015. Where changed, other material modified contract terms should continue to be filed as amendments with the Commission throughout the contract period. The Postal Service's response should be provided no later than December 15, 2014.

By the Acting Chairman.

Robert G. Taub