Postal Regulatory Commission
Submitted 1/12/2015 4:12:07 PM
Filing ID: 91149
Accepted 1/12/2015
ORDER NO. 2319

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners: Robert G. Taub, Acting Chairman;
Tony Hammond, Vice Chairman;
Mark Acton;
Ruth Y. Goldway; and
Nanci E. Langley

Rate Adjustment Due to Extraordinary or Exceptional Circumstances — Docket No. R2013-11

ORDER ON EXIGENT SURCHARGE REMOVAL

(Issued January 12, 2015)

I. INTRODUCTION

This Order addresses the Postal Service's plan and the removal of the exigent surcharge prices. On December 24, 2013, the Commission granted the Postal Service's request for an exigent price increase of 4.3 percent to offset losses suffered as a result of the Great Recession of 2008-2009.[1] The Commission allowed the price increase of 4.3 percent until such time the Postal Service collected $2.8 billion in 2014 after-rates contribution ($3.2 billion in revenue), the amount the Postal Service lost due to the Great Recession, as found by the Commission. *Id*. at 2-3.

[1] Order Granting Exigent Price Increase, December 24, 2013 (Order No. 1926).

The Commission required that the Postal Service report quarterly on the revenues generated by the exigent prices, and develop a plan to remove them once the required threshold was reached. *Id*. at 3. In Order No. 1926, the Commission indicated that following the Postal Service's filing of its plan to remove the exigent surcharge, the Commission would notice the plan for comment and "expects to issue a further order approving or modifying the plan." *Id*. at 185. Section II contains a summary of the Postal Service's plan, Section III consists of all of the issues with the removal plan identified by the Commission and commenters, and Section IV includes a discussion of an issue relating to the calculation of the revenue surcharge threshold.

II. POSTAL SERVICE PLAN

The Postal Service filed its plan on June 2, 2014.[2] While the Postal Service stated that it was not in a position to present a definitive plan because the timing and nature of removal would depend upon external factors outside of its control, it presented two possible options. Removal Plan at 2-3. The first option it identified as the Postal Service filing a notice to remove the surcharge. *Id*. at 3. The second option it identified was using its available rate adjustment authority (by delaying an increase) to offset, in whole or in part, depending on the rate of inflation, the exigent surcharge rates. *Id*. at 4.

[2] *See* Report of the United States Postal Service in Response to Order No. 1926 Regarding Surcharge Removal Plan, June 2, 2014 (Removal Plan).

III. ISSUES RELATING TO THE POSTAL SERVICE PLAN

The Commission noticed the Postal Service's plan for comments[3] and received six comments,[4] and four reply comments.[5] This section outlines the comments by issue.

A. Combination of Removal and CPI Increase

The Greeting Card Association (GCA) contends that there should be a complete separation of the exigent surcharge removal and any accompanying regular inflation-based increase. GCA Comments at 6-7. GCA states that the Commission's decision was to allow an across-the-board increase, and leave aside the aim of creating "optimal" rates with respect to 39 U.S.C. 3622(b) and 3622(c). *Id*. at 5. GCA submits that different principles are at work in a general inflation-based rate increase than are applicable in an exigent case. *Id*. at 8.

GCA clarified on reply that a single "ratemaking event" could be devised that would promote stability and allow the separate requirements of rescinding the surcharge and implementing an inflation-based adjustment. GCA Reply Comments at 1-2.

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[3] Order No. 2089, Notice and Order on the Postal Service's Exigent Surcharge Removal Plan, June 11, 2014.

[4] Initial Comments of the Greeting Card Association on Exigency Rescission Plan (GCA Comments); Comments of MPA—The Association of Magazine Media, Alliance of Nonprofit Mailers, Association for Postal Commerce, and Direct Marketing Association, Inc. on Order No. 2089 (Joint Comments); Public Representative comments Addressing Notice and Order on the Postal Service's Exigent Surcharge Removal Plan (PR Comments); Comments of Valassis Direct Mail, Inc. (Valassis Comments); Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc. Comments on Report of the United States Postal Service Regarding Surcharge Removal Plan (Valpak Comments); and Comments of the National Postal Policy Council (NPPC Comments). All the initial comments were filed July 28, 2014.

[5] Reply Comments of the Greeting Card Association on Exigency Rescission Plan (GCA Reply Comments); Reply Comments of MPA—the Association of Magazine Media and Alliance of Nonprofit Mailers in Response to Order No. 2089 (Joint Reply Comments); Reply Comments of the United States Postal Service Related to Exigent Surcharge Removal Plan (Postal Service Reply Comments); and Valpak Direct Marketing Systems, Inc. and Valpak Dealers' Association, Inc. Reply Comments on Report of the United States Postal Service Regarding Surcharge Removal Plan (Valpak Reply Comments). All reply comments were filed August 26, 2014.

MPA et al. recognize that the Postal Service has the freedom to file other types of rate changes, including inflation-based changes, at times of its choosing, subject to existing rules and law pertaining to those increases. Joint Comments at 2-3. MPA et al. and Valassis encourage the Postal Service to forgo an inflation-based increase in January of 2015, and instead file a simultaneous inflation-based increase with the exigent surcharge removal. *Id*. at 3. Valassis Comments at 1. MPA et al. explain that the inflation-based increase would be separately filed and reviewed. Joint Comments at 3.

The Public Representative expresses no preference between a Postal Service filing to rescind the surcharge in a stand-alone docket or a rescission combined with an inflation-based adjustment, but states that "the Postal Service has not provided even an outline of the methodology that would be used in either instance." PR Comments at 2. The Public Representative provides examples of how rescission could operate, both as a stand-alone matter without intervening inflation-based increases, and when there have been intervening inflation-based increases. *Id*. at 3-10. The Public Representative does not believe it makes a difference whether the Postal Service files to rescind the exigent surcharge together with an inflation-based increase, or separately, presuming that the requirements of each are met. *Id*. at 12.

National Postal Policy Council (NPPC) takes the position that simultaneously removing the surcharge and imposing an inflation-based increase would require two separate notices and dockets. NPPC Comments at 6. Valpak agrees that rescission of the surcharge should be an independent filing, and not involve any other issues. Valpak Reply Comments at 6.

The Postal Service contends that one filing would be sufficient to both remove the surcharge and make a concurrent inflation-based change, similar to how it would administer an interim inflation-based change, but omitting the final step of adding the surcharge back on to the base rate. Postal Service Reply Comments at 3.

The Commission finds that the Postal Service must file, consistent with Order No. 1926, a notice of the removal of the exigent surcharge. *See* Order No. 1926 at 185. The Postal Service may choose to exercise its flexibility and file an inflation-based rate adjustment to come into effect simultaneously with the removal (but docketed separately), or at any other time of its choosing, provided that timing comports with the requirements of all applicable rules.

To ensure adequate notice to interested parties and transparency of both the removal of the surcharge and any concurrent inflation-based adjustment, the Commission requires that the Postal Service file its notice of removal (in whatever form that notice takes) in both the R2013-11 docket and the docket opened to consider the inflation-based adjustment, if any.

B. Notice of the Removal

Multiple commenters identify 45 days as the legal minimum for the Postal Service to notice rescission of the surcharge. GCA Comments at 14; PR Comments at 14; Postal Service Reply Comments at 5. MPA et al. and NPPC encourage the Postal Service to provide 90 days of notice prior to implementation of a rate increase and surcharge removal. Joint Comments at 3; NPPC Comments at 2-4. MPA et al. also state that the Postal Service's notice to remove the surcharge "must include sufficient detail to allow the [Commission] to verify that the cumulative revenue generated from the exigent surcharge through the date of the rescission will not exceed $3.2 billion." Joint Comments at 3.

The Postal Service notes that, aside from legal arguments supporting a 45 day notice, that a longer notice requirement may increase the uncertainty as to when the Postal Service will reach the revenue limitation. Postal Service Reply Comments at 7.

The Commission finds no reason to disturb the requirement articulated in Order No. 1926 that the Postal Service file notice to remove the surcharge at a minimum of

45 days prior to the effective date of such removal. *See* Order No. 1926 at 185. A 45 day requirement is consistent with the notice required for inflation-based adjustments and is reasonable given that it is consistent with mailer expectations for a price change.[6] The Commission encourages the Postal Service to provide as much notice as practicable, as is its usual practice for inflation-based adjustments, to accommodate time for mailer software changes and complexities relating to both the removal of the surcharge and possible implementation of a concurrent inflation-based adjustment.

C. Timing of the Removal

GCA recognizes that the precise timing of the exigent surcharge rescission is an estimate. GCA Comments at 11. MPA et al. also state that the specific date for rescission “will necessarily require projections of the Postal Service’s expected revenue and volume” and should be reviewed and corrected if the Postal Service overshoots the cap. Joint Comments at 4.

Valassis states that it would be willing to forgo rescission of the exigent surcharge until the next regularly scheduled rate adjustment, presuming that any intervening revenues that exceed the revenue threshold are banked and applied to reduce the inflation-based increase. Valassis Comments at 2. GCA suggests a similar mechanism as an alternative to the Postal Service delaying its planned inflation-based adjustment. GCA Reply Comments at 4-5

MPA et al. contend that the statute does not authorize a rescission approach like Valassis and GCA suggest. Joint Reply Comments at 1-2. Likewise, Valpak characterizes the Valassis suggestion as “likely illegal.” Valpak Reply Comments at 6.

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[6] To potentially alleviate some of the uncertainty of estimation as described by the Postal Service and bring transparency to the process, the Commission requires increased frequency of reporting of exigent surcharge revenues as the Postal Service approaches the threshold. Those requirements are described in the following section “Timing of the Removal.”

The Commission recognizes that the timing of the removal is dependent upon forecasts of Postal Service volumes and revenues, and is therefore inherently imprecise. There also are competing interests in the Postal Service collecting revenue that it is entitled to pursuant to Order No. 1926 and the Postal Service over-collecting revenue beyond that threshold.

The Commission's calculation of the revenue limit applicable to the exigent surcharge was an estimation of the losses the Postal Service suffered "due to" the Great Recession. *See* Order No. 1926 at 39-106. The Commission anticipates that the Postal Service will perform a reasoned estimation of the date on which it will reach the exigent revenue threshold, and set that date as the date for removal of the surcharge.

The Commission understands that there is an inherent risk to both the Postal Service and ratepayers in over or under estimating the removal date. To provide transparency to the process and attempt to ameliorate some of that risk, the Commission required the Postal Service to report incremental and cumulative surcharge revenue quarterly. *Id.* at 185.

To further promote transparency in the process, the Commission will require the Postal Service, once it reaches the quarter in which it estimates the threshold will be reached, to provide a bi-weekly estimate of the incremental and cumulative surcharge revenue. The Postal Service, ratepayers, and the Commission will be able to use this more up to date information to evaluate the appropriateness of the Postal Service's planned date for removal of the surcharge as that date approaches. Interested persons will be able to petition the Commission in this docket to alter the planned removal date based on the updated estimates, weighing the harm of potential over-collection against the disruption of moving the removal date on potentially short notice.

D. Removal Plan Compliance with 39 U.S.C. 3622

General requirements. The Public Representative contends that if there is an intervening inflation-based adjustment, the Commission should only review the base rate plus the inflation-based adjustment for compliance with 39 U.S.C. 3622, despite the fact that the "total rate paid" may not be compliant. PR Comments at 13. He argues that not including the surcharge in the compliance calculation is consistent with treating the exigent increase as a surcharge. *Id.* GCA agrees with the Public Representative and believes the requirements of 39 U.S.C. 3622 should only apply to the base rate (without the surcharge) plus the applicable inflation-based adjustment noting that it would be consistent with the Commission's objective to administer rates subject to the price cap independently. GCA Reply Comments at 3.

Valpak states that the Postal Service should address the total rate paid by ratepayers (the base rate, the inflation-based adjustment, and the exigent surcharge) for purposes of 39 U.S.C. 3622. Valpak Comments at 5-6. NPPC takes a similar position, that any interim rate adjustment request must address compliance for purposes of 39 U.S.C. 3622, of the "resulting rates (combining the price cap adjusted rates plus the surcharge)." *Id*. at 2-3, 8-9. It argues that it is the rates that mailers will have to pay that should be subject to compliance. *Id.* at 8.

Workshare discount requirements. The Public Representative contends, that no re-examination should be made when the surcharge is removed, presuming that the rates underlying the exigent surcharge complied with the workshare discount requirements of 39 U.S.C. 3622(e). PR Comments at 11. Rather, the Postal Service should be instructed to bring the discounts back into compliance in the next price adjustment. *Id.* at 12. He argues that this approach is simple, transparent, and may expedite approval. *Id*. at 12, n.8. NPPC similarly states that if the Postal Service were to unwind the exigent rates and roll back to those approved in the last general rate change, no further showing would be necessary. NPPC Comments at 2, 5-6. NPPC argues that if the Postal Service only removes the surcharge then no general market dominant adjustment occurs and therefore no review under those rules is needed. *Id.* The Postal Service believes that the worksharing requirements should only be enforced on the base rate and any subsequent inflation-based adjustment, but not on the exigent surcharge amount. Postal Service Reply Comments at 2.

The Commission finds that it is appropriate for the Postal Service to address both the general requirements of 39 U.S.C. 3622 and the specific workshare discount requirements on the base rates and any added inflation-based adjustment. The Postal Service will not be required to address those requirements on the exigent surcharge.

The surcharge was approved by the Commission as a temporary and across the board mechanism that was reasonable, equitable, and necessary pursuant to 39 U.S.C. 3622(d)(1)(E). *See* Order No. 1926 at 122-69. Inflation-based adjustments are governed by different legal provisions and have different requirements than the exigent adjustment. The Commission finds that based on its review of the comments, the temporary nature of the exigent surcharge, the fact that the Postal Service was permitted to levy the surcharge in an across-the-board fashion, and the requirements of 39 U.S.C. 3622, the Postal Service should only address the requirements of that section for inflation-based adjustments to the rate base (that is, the base rate plus any applicable inflation-based adjustment).

E. Price Cap Issues

Valpak contends that "[n]either the Postal Service nor the Commission address recalculation of the price cap upon removal of the exigent surcharge." Valpak Comments at 3. Valpak takes the position that the "negative unused authority" in the bank at the time of the exigent surcharge means that the Postal Service must account for such unused authority by restoring the unused authority available at the time of its exigent request. *Id*. at 4-5.

The Postal Service responds that the Commission rejected Valpak's position concerning the unused authority in Order No. 1926 when the Commission determined that the approval exhausted the unused rate authority. Postal Service Reply Comments at 9.

The Commission agrees with the Postal Service that the issue of exhaustion of unused rate authority was settled in Order No. 1926. *See* Order No. 1926 at 186, 190-91. Commission rule 3010.63(c) requires that an exigent price adjustment "will exhaust all unused rate adjustment authority for each class of mail before imposing additional rate adjustments in excess of the maximum…." 39 C.F.R. 3010.63(c). In Order No. 1926 the Commission applied rule 3010.63(c) and determined, as a result of the exigent rate adjustment, that the result was zero unused rate authority. Order No. 1926 at 191.

IV. ISSUE RELATING TO CALCULATION OF SURCHARGE REVENUE THRESHOLD

A. Necessity of a Postage in the Hands of the Public (PIHOP) Adjustment

The Postal Service contends that following the methodology outlined in Order No. 1926 overstates the amount of surcharge collected because it assumes all volume mailed since the surcharge went into effect was purchased at the current price. Postal Service Reply Comments at 9. Specifically, the Postal Service notes that the methodology from Order No. 1926 does not take into account volume mailed since the surcharge went into effect that was sent using Forever stamps purchased prior to the effective date of the exigent surcharge. The Postal Service contends that the 3-cent January increase (from 46 cents to 49 cents) created a more significant incentive for mailers to stock up on Forever stamps than previous rate increases, which were considerably smaller. *Id.*

MPA et al. requested that the Commission issue an information request regarding the PIHOP calculation.[7] The Presiding Officer issued an information request[8] and the Postal Service responded,[9] and MPA et al. requested a follow-up information request.[10] The Commission issued a Notice of Inquiry to seek public comment on possible methods of calculating the PIHOP adjustment,[11] and the Public Representative,[12] MPA et al.,[13] and the Postal Service[14] responded.

The Public Representative suggests that Forever stamps purchased (but not yet used) during the surcharge period may offset Forever stamps purchased before the surcharge period and used during the surcharge period. He contends that "the Deferred Revenue-prepaid postage balance would be expected to decrease markedly as stamps purchased prior to the exigent surcharge period are used during the surcharge period." PR NOI Response at 2. The Public Representative notes that the balance reported as Deferred Revenue-prepaid postage on December 31, 2013 and September 30, 2014, is the same at $3.1 billion. *Id.* Thus, he concludes that the Postal Service's assumption in the usage of prior stamp purchases has not occurred. *Id*. at 3.

The Commission finds that an adjustment should be made to account for pieces mailed since the surcharge went into effect that were sent using Forever stamps purchased prior to the effective date of the exigent surcharge. Although, the prepaid

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[7] Motion of MPA—the Association of Magazine Media and Alliance of Nonprofit Mailers for Issuance of Information Request, September 16, 2014.

[8] Presiding Officer's Information Request No. 15, September 19, 2014.

[9] Response of the United States Postal Service to Presiding Officer's Information Request No. 15.

[10] Motion of MPA—the Association of Magazine Media and Alliance of Nonprofit Mailers for Issuance of Follow-up Information Request, October 2, 2014.

[11] Notice of Inquiry on Proposed Methodology to Calculate Adjustment to Surcharge Cap for Forever Stamps (PIHOP Adjustment), November 5, 2014 (PIHOP NOI).

[12] Public Representative Comments in Response to the Notice of Inquiry Concerning the Forever Stamp Adjustment to the Exigent Surcharge Cap, November 19, 2014 (PR NOI Response).

[13] Comments of MPA—the Association of Magazine Media and Alliance of Nonprofit Mailers on Notice of Inquiry Issued November 5, 2014, November 19, 2014 (MPA et al. NOI Response).

[14] Response of the United States Postal Service to Notice of Inquiry, November 19, 2014.

postage balance is the same on December 31, 2013 and September 30, 2014, the volume associated with those balances may be different. If Forever stamps purchased before the surcharge went into effect are used, they could be replaced by fewer Forever stamps at the 49 cent price and arrive at the same prepaid postage balance. For example, if the PIHOP balance is $3.1 billion, and 4.3 billion Forever stamps (purchased at 46 cents) are used, the balance drops by $2.0 billion (4.3 billion stamps * $0.46 = $2.0 billion). In this example, new Forever stamps (purchased at 49 cents) add to the PIHOP balance and fewer stamps are required to offset the usage of the 4.3 billion stamps, specifically 4.1 billion stamps ($2.0 billion/$0.49 = 4.1 billion stamps).

It would be erroneous to conclude, based on the trial balances cited by the Public Representative, that the Postal Service's assertions regarding mailer behavior are flawed. Additionally, the monthly deferred revenue figures show a 15 percent increase in deferred revenue from December 2013 to January 2014.[15] This represents double the monthly increase compared with the previous year, supporting the assumption that mailers increased their stock of Forever stamps before the surcharge went into effect.

B. Calculation of the PIHOP Adjustment

Three remedies were explored during this proceeding. The Postal Service developed a methodology, which it calls the "PIHOP Adjustment". MPA et al. and the Commission developed two alternatives. All three methodologies are discussed below.

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[15] *See* National Trial Balance, December, 2012 (FY 2013); and Statement of Revenue and Expenses, December, 2012, (FY2013), February 8, 2013; National Trial Balance, January, 2013 (FY 2013); and Statement of Revenue and Expenses, January, 2013 (FY 2013), February 25, 2013; National Trial Balance, December, 2013 (FY 2014); and Statement of Revenue and Expenses, December, 2013 (FY 2014), February 7, 2014; and National Trial Balance, January, 2014 (FY 2014); and Statement of Revenue and Expenses, January, 2014 (FY 2014), February 24, 2014.

C. Postal Service Methodology

> To arrive at the PIHOP Adjustment amount, the Postal Service used its estimate of the number of Forever stamps purchased before January 26, 2014 (at prices below 49 cents), and not yet used. That estimate is 5,969,565,000. (It is important to note that the stamps which are anticipated to *never* be used have already been deducted from this estimate.) This number of Forever stamps is then multiplied by $0.02, which is the value of the Exigent surcharge assuming that the Forever stamps are used for First-Class Mail single-piece mailpieces. The result is $119,391,300.

See Response of the United States Postal Service to Order No. 2075, May 15, 2014 at 2, n.8.

The Postal Service proposes to allocate one-sixth of $119,391,300 to each of the first six reporting periods, resulting in an adjustment of $19,899,000 per quarter. *Id.* at 2-3.

Commenters contend that the adjustment does not account for Forever stamps purchased during the surcharge period but redeemed after the end of the surcharge period.[16] They urge the Commission to reject the Postal Service's adjustment.

In its response to POIR No. 13, question 1, the Postal Service acknowledges that Forever stamps may be purchased during the surcharge period which will be used after the surcharge period.[17] However, the Postal Service contends that it "has no established basis upon which to make such an estimate, because there has been no experience since Forever stamps were introduced under circumstances in which the price of the stamp actually decreased." *Id.*

An adjustment that only takes into account Forever stamps purchased prior to the surcharge period would clearly understate the surcharge collected. Thus, the Commission rejects the methodology proposed by the Postal Service.

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[16] *See* Joint Comments at 4-6; PR Comments at 14-15; Valpak Reply Comments at 4-5.

[17] *See* Responses of the United States Postal Service to Questions 1-4 of Presiding Officer's Information Request No. 13, June 6, 2014.

D. MPA et al. Methodology

MPA et al. suggests that an adjustment could be calculated using the formula: Adjustment = ($0.02 / $0.49) x Forever Stamp Sales – ($0.02 / $0.49) x Revenue From Forever Stamps Used. MPA et al. NOI Response at 3.

While this methodology is reasonable, the Postal Service does not collect the data that is needed to implement it. The Postal Service contends that the data available is not suitable for the proposed calculation.[18] In its response to POIR No. 16, the Postal Service explains that the estimate of Forever stamp volume derived from a sample-based revenue estimate of Forever stamp usage to be employed in MPA's proposed calculation is not equivalent to the actual Forever stamp volume that emerges as an output of the billing determinant process. Postal Service Response to POIR No. 16 at 6. It further explains that "there are other subsequent steps applied to the Usage that are made before it goes into the billing determinant process, such as the BRAF (Book Revenue Adjustment Factor) and similar procedures, utilizing a host of other inputs beyond the sample-based estimates." *Id.*

The Commission finds that the data problem identified by the Postal Service is significant. Thus, the Commission finds the MPA et al. proposal with the currently available data is unworkable.

E. Commission Methodology

Data provided by the Postal Service in response to POIR No. 15 appear to isolate the revenue (and thus volume) from Forever stamps sold during the exigent surcharge period.[19] The surcharge collected from Forever stamps by quarter can be calculated by multiplying the quarterly volume of Forever stamps sold while the surcharge was in effect (calculated by total quarterly Forever stamp revenue divided by

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[18] *See* Response of the United States Postal Service to Presiding Officer's Information Request No. 16, Question 1, December 12, 2014 (Postal Service Response to POIR No. 16).

[19] *See* Response of the United States Postal Service to Presiding Officer's Information Request No. 15, September 26, 2014.

49 cents) by 2 cents. In its Notice of Inquiry (NOI), the Commission suggests using the surcharge revenue collected from Forever stamp sales as a substitute for the calculation of surcharge collected from stamped First-Class single-piece letters using billing determinants. PIHOP NOI at 3-4.

In the NOI, the Commission discussed the methodology's limitations, and the comments submitted do not identify further limitations. Despite these limitations, the Postal Service favors the simplicity and transparency of the Commission's approach and contends that the approach "provides the most direct solution to the problem presented." Postal Service Response to POIR No. 16 at 8.

As previously discussed, the Commission finds that an adjustment to the surcharge revenue threshold is necessary to account for the PIHOP.[20] The Commission acknowledges that its approach is imperfect. However, it is the most viable option given the data limitations. Additionally, as the adjustment represents approximately 1 percent of the 2.3 billion cap on the allowed surcharge, the imprecision in the methodology should not have a material effect on the date of removal of the surcharge. Therefore, the Postal Service shall use the Commission's methodology to more accurately reflect the surcharge revenue collected from Forever stamps.

V. ORDERING PARAGRAPHS

It is ordered:

1. The Postal Service shall notice the removal of the exigent surcharge removal at least 45 days before the date of the removal.

2. The Postal Service shall provide bi-weekly estimates of the incremental and cumulative surcharge revenue beginning the quarter in which the Postal Service anticipates removing the surcharge.

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[20] *See* Section IV. A., *supra* at 10-11.

3. The Postal Service is not required to demonstrate compliance with 39 U.S.C. 3622, including workshare provisions, if it removes the exigent surcharge without an accompanying inflation-based adjustment.

4. The Postal Service shall adjust the Exigent Surcharge threshold to account for Forever stamps (PIHOP adjustment) consistent with the body of this Order.

By the Commission.

Shoshana M. Grove
Secretary