

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

NOTICE OF MARKET-DOMINANT
PRICE ADJUSTMENT

Docket No. R2015-4

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1-3 OF CHAIRMAN'S INFORMATION REQUEST NO. 8

The United States Postal Service hereby provides its responses to questions 1 to 3 of Chairman's Information Request No. 8, issued on February 6, 2015. Each question is stated verbatim and followed by the response. The responses to Questions 4 to 12 are still being prepared.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 8**

1. The following questions address Alternate Postage Letters and Postcards.
 - a. Please provide billing determinant volumes separately for the following price categories:
 - Alternate Postage Letters, Upfront Postage Payment below 21 percent
 - Alternate Postage Letters, Upfront Postage Payment 21 to 50 percent
 - Alternate Postage Letters, Upfront Postage Payment above 50 percent
 - Alternate Postage Postcards, Upfront Postage Payment below 21 percent
 - Alternate Postage Postcards, Upfront Postage Payment 21 to 50 percent
 - Alternate Postage Postcards, Upfront Postage Payment above 50 percent
 - b. Please refer to USPS-LR-R2015-4/1, Excel file "CAPCALC-FCM," tab "SP Ltrs & Crds." Please confirm that volumes and prices for Alternate Postage Letters and Postcards are not included in the price cap calculation. If not confirmed, please explain.
 - c. Please provide revised First-Class Mail workpapers that include each of the categories in part (a) in the price cap calculation.
 - d. Please explain how the revised price increase for First-Class Mail is consistent with 39 U.S.C. § 3622(d)(1)(A).

RESPONSE:

- a. Please see the Excel file "ChIR8Q1.CapCalc.FCM.xlsx", tab "Alternate Postage BDs", which provides the billing determinants volumes. The file is filed with this response.
- b. Confirmed.
- c. Please see the Excel file "ChIR8Q1.CapCalc.FCM.xlsx", filed with this response. Please note that this file includes the changes resulting from the Postal Service's response to ChIR No. 7, Question 1.

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- d. The price increase for First-Class Mail using this approach is still consistent with 39 U.S.C. § 3622(d)(1)(A) because the overall price increase for First-Class Mail (tab: Percent Change Summary, cell: E10) is under the annual price limitation of 1.966 percent.

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2. The following request concerns Notice, Attachment A, Part II at 7. The prices listed for 3-Digit Automation Postcards and AADC Automation Postcards are both \$0.275. Please confirm that the applicable prices should be \$0.288 [\$0.263 (planned Docket No. R2015-4 price) plus the difference between \$0.278 (Docket No. R2013-11 price) and \$0.253 (Docket No. R2013-10 price)]. If not confirmed, please explain.

RESPONSE:

Not confirmed. The Docket No. R2013-11 price is \$0.265, so the Exigent price of \$0.275 in Attachment A, Part II at 7 is correct. See Attachment A, at 6, to the Postal Service's Request in Docket No. R2013-11 (September 26, 2013), and Order No. 1926, at 193 (December 24, 2013), which refers to Attachment A as the source of the Exigent surcharges.

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3. The following request concerns Notice, Attachment A, Part I at 6 and Notice, Attachment A, Part II at 6. Please confirm that the Maximum Weight Category for Non-automation Presorted Machinable Letters should be 3.5 ounces, not 3.3 ounces, as listed. If not confirmed, please explain.

RESPONSE:

Not confirmed. The Mail Classification Schedule (MCS) and the Postal Service's Notice 123, at 12, specify the maximum weight as 3.3 ounces. See 11/25/2014 update of the MCS, at 13, and note 3 to Commercial Letters & Cards table in Notice 123. This 3.3 ounce limit is what the Postal Service is prepared to implement on April 26, 2015.