

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Notice of Market-Dominant
Price Adjustment

Docket No. R2015-4

CHAIRMAN'S INFORMATION REQUEST NO. 10

(Issued February 11, 2015)

To clarify the issues raised by the Postal Service's Notice of Market Dominant Price Adjustment in Docket No. R2015-4,¹ the Postal Service is requested to provide written responses to the following requests and questions. Answers should be provided to individual requests and questions as soon as they are developed, but no later than February 17, 2015.

Standard Mail

1. Please refer to Excel file, "CAPCALC-STD-R2015-4-CHIR5.xlsx," tabs "FSS Blended Rate Auto" and "FSS Blended Rate NonAuto," which list the Docket Nos. R2013-10 and R2015-4 prices for the blended FSS price categories.
 - The following cells in tab "FSS Blended Rate Auto" contain reference errors: K31, X31, AJ31.
 - The following cells in tab "FSS Blended Rate NonAuto" contain reference errors: K48, X48, AJ48, K132, X132, AJ132.

These cells are used to calculate the blended Docket No. R2015-4 prices.
Chairman's Information Request No. 5, February 2, 2015, questions 1 and 2

¹ United States Postal Service Notice of Market-Dominant Price Adjustment, January 15, 2015 (Notice).

sought sources for these cells to correct the reference errors. In response, the Postal Service stated that the prices in the cells do not have sources “because they are estimates of what prices would be in this docket if the cells were not being eliminated as part of the FSS restructuring.”² Please provide the prices for the cells identified above, as well as the underlying calculations, if applicable.

Periodicals Billing Determinant Adjustments and Exigent Surcharge

2. On February 5, 2015, in the Postal Service Response to CHIR No. 6, the Postal Service provided Excel file “CAPCALC-PER-R2015-4-ChIR6Q17.xls.”³ The following questions concern the source of the billing determinant adjustments for FSS Facility and FSS Scheme DFSS and DSCF entered sacks.
 - a. In Excel file “CAPCALC-PER-R2015-4-ChIR6Q17.xls,” tab “Regular Rate BD,” cell H121 contains the adjusted FY 2014 volume for FSS Facility Sacks entered at the DFSS.
 - i. Please confirm the adjusted volume for DFSS sacks is calculated by multiplying the number of FSS Facility Sacks entered at the DSCF in FY 2014 by 20 percent. If not confirmed, please explain.
 - ii. Please provide the source for the 20 percent factor and a rationale supporting its use.
 - b. In Excel file “CAPCALC-PER-R2015-4-ChIR6Q17.xls,” tab “Regular Rate BD,” cell H122 contains the adjusted FY 2014 volume for FSS Facility Sacks entered at the DSCF.

² See Responses of the United States Postal Service to Chairman’s Information Request No. 5, February 9, 2015, questions 1a and 2a.

³ Response of the United States Postal Service to Questions 3, 17, and 20 of Chairman’s Information Request No. 6, February 5, 2015, question 17 (Postal Service Response to CHIR No. 6).

- i. Please confirm the adjusted volume for DSCF sacks is calculated by multiplying the number of FSS Facility Sacks entered at the DSCF FY 2014 by 80 percent. If not confirmed, please explain.
 - ii. Please provide the source for the 80 percent factor and a rationale supporting its use.
 - c. In Excel file "CAPCALC-PER-R2015-4-ChIR6Q17.xls," tab "Regular Rate BD," cell H129 contains the adjusted FY 2014 volume for FSS Scheme Sacks entered at the DFSS.
 - i. Please confirm the adjusted volume for DFSS sacks is calculated by multiplying the number of FSS Scheme Sacks entered at the DSCF in FY 2014 by 20 percent. If not confirmed, please explain.
 - ii. Please provide the source for the 20 percent factor and a rationale supporting its use.
 - d. In Excel file "CAPCALC-PER-R2015-4-ChIR6Q17.xls," tab "Regular Rate BD," cell H130 contains the adjusted FY 2014 volume for FSS Scheme Sacks entered at the DSCF.
 - i. Please confirm the adjusted volume for DSCF sacks is calculated by multiplying the number of FSS Scheme Sacks entered at the DSCF in FY 2014 by 80 percent. If not confirmed, please explain.
 - ii. Please provide the source for the 80 percent factor and a rationale supporting its use.
 - e. In Excel file "CAPCALC-PER-R2015-4-ChIR6Q17.xls," tab "NonProfit BD," cell H113 contains the adjusted FY 2014 volume for FSS Facility Sacks entered at the DFSS.
 - i. Please confirm the adjusted volume for DFSS sacks is calculated by multiplying the number of FSS Facility Sacks entered at the DSCF in FY 2014 by 20 percent. If not confirmed, please explain.
 - ii. Please provide the source for the 20 percent factor and a rationale supporting its use.

- f. In Excel file "CAPCALC-PER-R2015-4-ChIR6Q17.xls," tab "NonProfit BD," cell H114 contains the adjusted FY 2014 volume for FSS Facility Sacks entered at the DSCF.
 - i. Please confirm the adjusted volume for DSCF sacks is calculated by multiplying the number of FSS Facility Sacks entered at the DSCF in FY 2014 by 80 percent. If not confirmed, please explain.
 - ii. Please provide the source for the 80 percent factor and a rationale supporting its use.
- g. In Excel file "CAPCALC-PER-R2015-4-ChIR6Q17.xls," tab "NonProfit BD," cell H121 contains the adjusted FY 2014 volume for FSS Scheme Sacks entered at the DFSS.
 - i. Please confirm the adjusted volume for DFSS sacks is calculated by multiplying the number of FSS Scheme Sacks entered at the DSCF in FY 2014 by 20 percent. If not confirmed, please explain.
 - ii. Please provide the source for the 20 percent factor and a rationale supporting its use.
- h. In Excel file "CAPCALC-PER-R2015-4-ChIR6Q17.xls," tab "NonProfit BD," cell H122 contains the adjusted FY 2014 volume for FSS Scheme Sacks entered at the DSCF.
 - i. Please confirm the adjusted volume for DSCF sacks is calculated by multiplying the number of FSS Scheme Sacks entered at the DSCF in FY 2014 by 80 percent. If not confirmed, please explain.
 - ii. Please provide the source for the 80 percent factor and a rationale supporting its use.
- i. In Excel file "CAPCALC-PER-R2015-4-ChIR6Q17.xls," tab "Classroom BD," cell G113 contains the adjusted FY 2014 volume for FSS Facility Sacks entered at the DFSS.

- i. Please confirm the adjusted volume for DFSS sacks is calculated by multiplying the number of FSS Facility Sacks entered at the DSCF in FY 2014 by 20 percent. If not confirmed, please explain.
 - ii. Please provide the source for the 20 percent factor and a rationale supporting its use.
- j. In Excel file "CAPCALC-PER-R2015-4-ChIR6Q17.xls," tab "Classroom BD," cell G114 contains the adjusted FY 2014 volume for FSS Facility Sacks entered at the DSCF.
 - i. Please confirm the adjusted volume for DSCF sacks is calculated by multiplying the number of FSS Facility Sacks entered at the DSCF in FY 2014 by 80 percent. If not confirmed, please explain.
 - ii. Please provide the source for the 80 percent factor and a rationale supporting its use.
- k. In Excel file "CAPCALC-PER-R2015-4-ChIR6Q17.xls," tab "Classroom BD," cell G121 contains the adjusted FY 2014 volume for FSS Scheme Sacks entered at the DFSS.
 - i. Please confirm the adjusted volume for DFSS sacks is calculated by multiplying the number of FSS Scheme Sacks entered at the DSCF in FY 2014 by 20 percent. If not confirmed, please explain.
 - ii. Please provide the source for the 20 percent factor and a rationale supporting its use.
- l. In Excel file "CAPCALC-PER-R2015-4-ChIR6Q17.xls," tab "Classroom BD," cell G122 contains the adjusted FY 2014 volume for FSS Scheme Sacks entered at the DSCF.
 - i. Please confirm the adjusted volume for DSCF sacks is calculated by multiplying the number of FSS Scheme Sacks entered at the DSCF in FY 2014 by 80 percent. If not confirmed, please explain.
 - ii. Please provide the source for the 80 percent factor and a rationale supporting its use.

3. The proposed Mail Classification Schedule language for this proceeding contains two sets of prices. Notice, Attachment A, Part I contains the proposed prices without the exigent surcharge, and Part II contains the proposed prices with the exigent surcharge. On page 66 of Part I, the price for Outside County FSS Machinable Barcoded Flats without the exigent surcharge is listed as \$0.230. On page 66 of Part II, the price for Outside County FSS Machinable Barcoded Flats with the exigent surcharge is listed as \$0.240.
- a. Please confirm that the exigent surcharge for Outside County FSS Machinable Barcoded Flats is \$0.010. If not confirmed, please explain.
 - b. The following table contains the results of a method for calculating the exigent surcharge for Outside County FSS Machinable Barcoded Flats. This method was used in Excel file “CAPCALC-PER-R2015-4-ChIR6Q17.xls” to determine the historical price of the new FSS Automation Machinable category.

	Exigent Surcharge	Volume Percentage	New Surcharge
3-Digit Automation Machinable	\$ 0.0140	2.51%	\$0.00035
5-Digit Automation Machinable	\$ 0.0130	24.00%	\$0.00312
Carrier Route Basic	\$ 0.0080	73.49%	\$0.00588
New FSS Automation Machinable Surcharge			\$0.00935

- i. Please confirm that applying the method used for the calculation of the historical price of FSS Machinable Barcoded Flats to the calculation of the exigent surcharge for FSS Machinable Barcoded Flats results in an exigent surcharge of \$0.00935. If not confirmed, please explain.

- ii. Outside County Periodicals piece prices are rounded at the third digit after the decimal place. Please explain why the exigent surcharge for FSS Machinable Barcoded Flats is \$0.010 instead of \$0.009.

By the Acting Chairman.

Robert G. Taub