

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

Annual Compliance Report, 2014)

Docket No. ACR2014

REPLY COMMENTS OF PHI ACQUISITIONS, INC.
(February 13, 2015)

PHI Acquisitions, Inc. (“PHI”) submits these reply comments in response to the Initial Comments of Valpak Direct Marketing Systems, Inc. and Valpak Dealers’ Association, Inc. (“Valpak”).

On pages VI-4 and VI-5 of its comments, Valpak discusses the PHI NSA. While acknowledging that a full year of data is not yet available, Valpak claims that the PHI NSA has resulted in “a **reduction in contribution** to the Postal Service of **\$128,090,**” citing to USPS-FY14-30. Valpak Initial Comments at VI-4 (emphasis in original). As PHI explained in its Initial Comments in this docket, the Postal Service erred in calculating the net contribution of the PHI NSA. When calculated consistently with the evaluation of the NSA in Docket No. R2014-6, the NSA made a positive financial contribution to the Postal Service in contract year 1, Quarter 1 of \$281,025. *See* Initial Comments of PHI Acquisitions, Inc. at 2.

Because Valpak’s comments rely on an erroneous calculation of the contribution of the PHI NSA, the Commission should disregard Valpak’s comments on this topic.

Respectfully submitted,

/s/ Matthew D. Field

Matthew D. Field

Ian D. Volner

Venable LLP

575 7th Street NW

Washington, DC 20004

(tel) 202-344-4800

(fax) 202-344-8300

idvolner@venable.com

mfield@venable.com

Counsel for PHI Acquisitions, Inc.