

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

Annual Compliance Report, 2014

Docket No. ACR2014

CHAIRMAN'S INFORMATION REQUEST NO. 10

(Issued February 19, 2015)

To clarify the basis of the Postal Service's estimates in its FY 2014 Annual Compliance Report, filed December 29, 2014,<sup>1</sup> the Postal Service is requested to provide written responses to the following questions and requests. Answers should be provided to individual questions and requests as soon as they are developed, but no later than February 26, 2015.

**MARKET DOMINANT NSAs**

1. This question concerns the negotiated service agreement between the Postal Service and Valassis Direct Mail, Inc. (Valassis NSA).<sup>2</sup> In FY 2013, Valassis did not mail any pieces eligible for contract prices [Contract Pieces] under the Valassis NSA.<sup>3</sup> In its FY 2014 ACR, the Postal Service states, "Valassis did not send enough NSA-eligible volume to qualify for volume discounts, and paid published rates during FY 2014. Therefore, there are no data to report."<sup>4</sup>

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<sup>1</sup> United States Postal Service FY 2014 Annual Compliance Report, December 29, 2014 (FY 2014 ACR).

<sup>2</sup> Docket Nos. MC2012-14 and R2012-8, Notice of the United States Postal Service of Filing of Contract and Supporting Data and Request to Add Valassis Direct Mail, Inc. Negotiated Service Agreement to the Market-Dominant Product List, April 30, 2012, Attachment B.

<sup>3</sup> Docket No. ACR2013, Responses of the United States Postal Service to Questions 1-20 of Chairman's Information Request No. 4, February 6, 2014, question 14.

<sup>4</sup> United States Postal Service FY 2014 Annual Compliance Report, December 29, 2014, at 37.

Did Valassis send any Contract Pieces during FY 2014? If the answer is yes:

- a. Please state how many Contract Pieces Valassis mailed during FY 2014. Please amend Library Reference USPS-FY14-30 to incorporate Valassis NSA volumes.
  - b. Please identify the market(s) in which the Valassis NSA is operational, the date(s) the Valassis NSA began operating in each market, and the geographic areas where the Valassis NSA will operate.<sup>5</sup>
2. Section IV.G. of the Valassis NSA requires Valassis to pay the Postal Service a \$100,000 "transaction fee" if Valassis mails fewer than 1,000,000 Contract Pieces during the 12-month period following the initial 90-day period of the contract.
- a. Has Valassis paid the Postal Service the \$100,000 transaction fee?
  - b. If not, please explain why Valassis has not yet paid the transaction fee and what steps the Postal Service has taken to collect the transaction fee.
  - c. Please provide a copy of any amendment(s) revising the Valassis NSA. See Section VII of the Valassis NSA.

By the Acting Chairman.

Robert G. Taub

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<sup>5</sup> See Docket Nos. MC2012-14 and R2012-8, Order Approving Addition of Valassis Direct Mail, Inc. Negotiated Service Agreement to the Market Dominant Product List, August 23, 2012, at 42 (Order No. 1448).