

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 SURCHARGE REVENUE REPORTING

(Issued March 24, 2015)

On December 24, 2013, the Commission issued Order No. 1926, which granted the Postal Service's exigent price request but limited it to \$3.2 billion in additional revenue.¹ The Commission required that the Postal Service report quarterly (within 30 days after the close of each quarter) on revenues generated by the exigent prices. *Id.* at 3.

The Postal Service sought a stay of the reporting requirements pending the outcome of an appeal of Order No. 1926, but the Commission denied the stay.² The Commission, however, modified the timing of the reports (from 30 days after the close

¹ Order Granting Exigent Price Increase, December 24, 2013, at 2-3 (Order No. 1926).

² Order Denying Stay and Establishing Schedule for Reporting Requirements, May 2, 2014 (Order No. 2075).

of each quarter to 45 days after the close of each quarter) to allow the Postal Service to utilize updated billing determinants. *Id.* at 10-11. The Commission imposed additional reporting requirements beginning in the quarter when the Postal Service will meet the revenue limit, but those reports are not yet required because the estimated surcharge removal date is more than a quarter away.³ The purpose of these quarterly (and the upcoming bi-weekly reports) is to provide mailers with transparency during the exigent recovery period. See Order No. 2075 at 10; see *also* Order No. 2319 at 7.

The Postal Service has filed three quarterly reports in conformance with Order No. 2075.⁴ The fourth and most recent quarterly report (for Quarter 1 of Fiscal Year 2015) was due February 16, 2015.⁵ The Postal Service has not filed the report that was due February 16, 2015, and as of today it is 36 days late.

The Commission is concerned about the Postal Service's failure to comply with Order No. 2075, failure to inform the Commission and mailers when its report will be filed, and failure to explain the circumstances that gave rise to the omission. The Commission notes additional reporting requirements (bi-weekly estimates) that will come due when the Postal Service is within a quarter of collecting the revenue cap are only informative to the Commission and mailers if filed in a timely fashion. The Postal Service's delays to date, especially the most recent delay in providing this information, cause the Commission to question the Postal Service's ability to submit necessary reports on the exigent surcharge revenue collection in the future.

Therefore, the Commission orders the Postal Service to: comply with Order No. 2075 by filing the quarterly surcharge revenue collection update as soon as practicable, but no later than March 27, 2015; explain, as soon as practicable, but no later than

³ Order on Exigent Surcharge Removal, January 12, 2015, at 7, 15 (Order No. 2319).

⁴ See, e.g., Notice of the United States Postal Service of Filing Revenue Collection Report for Quarter 4 of Fiscal Year 2014, November 18, 2014; see *also* Notice of the United States Postal Service of Filing Revenue Collection Report for Quarter 3 of Fiscal Year 2014, August 15, 2014; see *also* Response of the United States Postal Service to Order No. 2075, May 15, 2014. The most recent report was two days late; the report filed August 15 was one day late.

⁵ While the 45-day deadline expired February 14, 2015, because that day is a Saturday, 39 C.F.R. § 3001.15 moves the due date to the following Monday, February 16, 2015.

March 27, 2015, the circumstances giving rise to the delay; and provide, as soon as practicable, but no later than April 3, 2015, its plan to ensure that future submissions, including the quarterly reports and the future bi-weekly estimates, will be timely and in compliance with Order Nos. 2075 and 2319.

It is ordered:

1. The Postal Service shall file the quarterly surcharge revenue collection report required by Order No. 2075 and an explanation as to why the report is out of time by March 27, 2015.
2. The Postal Service shall file a plan to ensure future submissions, including the quarterly reports required by Order No. 2075 and bi-weekly estimates required by Order No. 2319, are timely.

By the Commission.

Shoshana M. Grove
Secretary