

Before The
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

RATE ADJUSTMENT DUE TO EXTRAORDINARY
OR EXCEPTIONAL CIRCUMSTANCES

Docket No. R2013-11

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO ORDER NO. 2411, INCLUDING FILING OF
REVENUE COLLECTION REPORT FOR QUARTER 1 OF FY2015**
(March 27, 2015)

In accordance with Order No. 2075, issued on May 2, 2014,¹ and Order No. 2411,² issued on March 24, 2015, the Postal Service hereby submits its report on the amount of exigent surcharge revenue collected for the quarter ending December 31, 2014 (“Revenue Collection Report” or “Report”).³ As set forth in the Report filed with this pleading, the Postal Service collected \$585.6 million in exigent surcharge revenue in Q1 of FY2015. Since the exigent surcharge was implemented, the Postal Service has collected \$1.985 billion in cumulative surcharge revenue.⁴

¹ Docket No. R2013-11, Order No 2075: Order Denying Stay and Establishing Schedule for Reporting Requirements, at 11 (May 2, 2014).

² Docket No. R2013-11, Order No. 2411: Order on Surcharge Revenue Reporting (March 24, 2015). This Order set March 27, 2015 as a new deadline for the late filing of the Report, and requested an explanation as to why the report was filed so late.

³ The Revenue Collection Report is being filed with this pleading as *ExigSrchgRevREPORT(1Q15).xlsx*. Supporting workpapers are also being filed as: *ExigSrchgRevFCM(1Q15).xlsx*; *ExigSrchgRevSTM(1Q15).xlsx*; *ExigSrchgRevPER(1Q15).xls*; *ExigSrchgRevSPEC-SERV(1Q15).xlsx*; and *ExigSrchgRevPACK-SERV(1Q15).xlsx*. Finally, an Excel workbook showing the cumulative surcharge revenue for Q2, Q3, and Q4 of FY2014 and Q1 of FY2015 is being filed as *ExigSrchgRevCUMULTV(2-4Q14+1Q15).xlsx*.

⁴ It is important to note that the cumulative surcharge revenue figure incorporates adjustments made in the Postal Service’s responses to questions 1-4 of Presiding Officer’s Information Request No. 13, filed on June 6, 2014. Moreover, the PIHOP adjustments for FY2014 have been adjusted to follow the Commission’s methodology, as specified in Order No. 2319. See Excel workbook *ExigSrchgRevFCM(FY2014)_NOIMethod.xlsx*. Accordingly, the cumulative surcharge revenue cannot be calculated by simply summing the total surcharge revenue reported in *ExigSrchgRevREPORT(2Q14).xlsx*;

The Postal Service has adjusted this quarter's Report to reflect the Commission's methodology for estimating the surcharge revenue collected from Forever stamps, as specified in Order No. 2319 (January 12, 2015). The cumulative surcharge revenue specified above reflects the Commission's methodology both for Q1 of FY2015, and for all previous quarters.

Order No. 2411 also required that the Postal Service explain the circumstances that gave rise to the delayed filing of this Revenue Collection Report. In this regard, the Postal Service greatly regrets that this Report is being filed 37 days after the initial deadline of February 18.⁵ The Postal Service was working on the Report prior to the initial deadline. However, the staff resources need to complete the report were drawn away to help meet multiple deadlines in Docket Nos. ACR2014 and R2015-4. Though the delay was initially expected to be short, the unique confluence of dockets, each of which produced numerous information requests and orders from the Commission, stretched the Postal Service's resources past the ability to complete this report any earlier.

ExigSrchgRevREPORT(3Q14).xlsx; ExigSrchgRevREPORT(4Q14).xlsx; and ExigSrchgRevREPORT(1Q15).xlsx.

⁵ In Order No. 2411 the Commission stated that the Revenue Collection Report was due on February 16, 2015, the first business day after the 45-day deadline expired on February 14, 2015. However, the Postal Service would note that the Federal Government was closed on February 17, 2015 due to inclement weather, which makes February 18, 2015 the first business day after the February 14th deadline.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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