

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 QUESTION 37 OF  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 17  
(May 22, 2015)**

The United States Postal Service hereby provides its responses to question 37(f-h) of Presiding Officer's Information Request No. 17 ("POIR No. 17" or "Information Request"), dated May 11, 2015. For clarity, the entire question is stated verbatim and is followed by the entire response. As the Postal Service indicated in its initial response to POIR No. 17, the updated Special Services workpapers filed on May 15, 2015 did not include all of the corrections requested in POIR No. 17, since responses to question 37 (f-h) had not been filed.<sup>1</sup> With today's submission of responses to these parts of question 37, the Postal Service hereby submits updated Special Services workpapers for Quarter 1 of FY 2015 as *ExigSrchgRevSPEC-SERV(1Q15)Rev522.xlsx*. These revised workpapers now reflect all changes requested in this Information Request.

In its initial response to POIR No. 17, the Postal Service also indicated that a revised Revenue Collection Report for Quarter 1 of FY 2015 could not be completed until updates were made to the Special Services workpapers for that quarter.<sup>2</sup> Now that those workpapers have been updated, the Postal Service hereby submits revisions to

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<sup>1</sup> Docket No. R2013-11, Responses of The United States Postal Service to Questions 1-36 and 37 (a-e) of Presiding Officer's Information Request No. 17, at 1 n.2 (May 15, 2015).

<sup>2</sup> *Id.*

the Revenue Collection Report for Quarter 1 of FY 2015 as *ExigSrchgRevREPORT(1Q15)Rev522.xlsx* and *ExigSrchgRevCUMLTV(2Q14-1Q15)Rev522.xlsx*. These revised files reflect all changes requested in the instant Information Request.

The Commission also requested in POIR No. 17 that the Postal Service file conforming changes to the workpapers filed with its Revenue Collection Reports for Quarters 2, 3, and 4 of FY 2014.<sup>3</sup> In its initial response to POIR No. 17, the Postal Service indicated that those conforming corrections could not be made due to the limited time provided to prepare materials responsive to the Information Request.<sup>4</sup> The Postal Service indicated that the conforming corrections would be filed with the Commission this week.<sup>5</sup> The conforming changes to Quarters 2, 3, and 4 of FY 2014 are being filed concurrently with this pleading as Excel workbooks *ExigSrchgRevSTM(3Q14)Rev522.xlsx*; *ExigSrchgRevSTM(4Q14)Rev522.xlsx*; *ExigSrchgRevPER(3Q14)Rev522.xlsx*; *ExigSrchgRevPER(4Q14)Rev522.xlsx*; *ExigSrchgRevSPEC-SERV(2Q14)Rev522.xlsx*; *ExigSrchgRevSPEC-SERV(3Q14)Rev522.xlsx*; and *ExigSrchgRevSPEC-SERV(4Q14)Rev522.xlsx*.<sup>6</sup> Changes to these revised files are highlighted in yellow.

Finally, while reviewing materials related to its responses to POIR No. 17, the Postal Service also discovered two small errors in the supporting First-Class Mail workpapers for Quarters 2-4 of FY 2014 and Quarter 1 of FY 2015. The updated workpapers are being filed as *ExigSrchgRevFCM(FY2014)Rev522.xlsx*; and

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<sup>3</sup> Docket No. R2013-11, Presiding Officer's Information Request No. 17, at 1 (May 11, 2015).

<sup>4</sup> Docket No. R2013-11, Responses of The United States Postal Service to Questions 1-36 and 37 (a-e) of Presiding Officer's Information Request No. 17, at 1-2 (May 15, 2015).

<sup>5</sup> *Id.* at 2.

<sup>6</sup> No changes are needed to the FY2014 Package Services files filed previously, nor to the FY2014, Quarter 2 files for Standard Mail and Periodicals.

*ExigSrchgRevFCM(1Q15)Rev522.xlsx*. The corrections are described in the tab entitled "Changes" in each of the above references workbooks, and are reflected in the Quarter 1 Revenue Collection Report files mentioned above.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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37. Please refer to file "ExigSrchgRevSPEC-SERV(1Q15).xlsx," tab "NCOALink."
- a. Please provide the source (data system) for the values in column C. If these values result from a calculation, please provide the calculations including sources of all inputs.
  - b. Please confirm that the revenue in cell D9 divided by the volume in cell C9 equals a unit revenue of \$1,175. If confirmed, please explain the discrepancy between the calculated unit revenue and the Docket No. R2013-11 price (\$6,050 in cell I9). If not confirmed, please explain.
  - c. Please confirm that there should be no entries in cells C15 and D15. If not confirmed, please explain and show how the entries affect the exigency surcharge calculation.
  - d. Please confirm that the revenue in cell D16 divided by the volume in cell C16 equals a unit revenue of \$8,865. If confirmed, please explain the discrepancy between the calculated unit revenue and the Docket No. R2013-11 price (\$17,700 in cell I16). If not confirmed, please explain.
  - e. Please confirm that the revenue in cell D17 divided by the volume in cell C17 equals a unit revenue of \$8,773. If confirmed, please explain the discrepancy between the calculated unit revenue and the Docket No. R2013-11 price (\$8,865 in cell I17). If not confirmed, please explain.
  - f. Please confirm that the revenue in cell D20 divided by the volume in cell C20 equals a unit revenue of \$20,052. If confirmed, please explain the discrepancy between the calculated unit revenue and the Docket No. R2013-11 price (\$8,865 in cell I21). If not confirmed, please explain.
  - g. Please confirm that the revenue in cell D22 divided by the volume in cell C22 equals a unit revenue of \$1,567. If confirmed, please explain the discrepancy between the calculated unit revenue and the Docket No. R2013-11 price (\$4,175 in cell I17). If not confirmed, please explain.
  - h. Please reconcile the revenue in cell D31 with the revenue calculated in L32.

**RESPONSE:**

- a. The source is Address Management Services. No calculations are performed.
- b. Confirmed. The values in cells C9 and D9 should have been reported in cells C10 and D10.
- c. Confirmed. There should be no entries in cells C15 and D15.

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- d. Confirmed. Entries in cells C16 and D16 should have been in cells C17 and D17. Initial site fees for Limited Service Providers are \$17,700; additional sites fees for Limited Service Providers are \$8,865.
- e. Confirmed. In December a new Limited Service Provider was licensed and paid a prorated amount of \$7,387.50, causing the average unit revenue to be less than the Docket No. R2013-11 price.
- f. Confirmed. In October a new Limited Service Provider was licensed with the optional ANKLink service. The prorated amount for the combined services was \$20,052, which should have been split as follows: NCOALink Limited Service Provider - prorated fee of \$16,225 (cells C14 and D14); ANKLink Service Option First Site - prorated fee of \$3,827 (cells C19 and D19).
- g. Confirmed. The calculated unit revenue is a combination of five separate invoices, all of which should have been entered in cells other than C22 and D22 : 1 invoice for "NCOALink Added ANKLink Limited Service Provider" in the amount of \$4,175, which should have been reported as ANKLink Service Option, first year (cells C19 and D19); and 4 invoices for "NCOALink Added ANKLink End User" of \$915 each, totaling \$3,660, which should have been reported as ANKLink Service Option for End Users (cells C25 and D25). The resulting total (\$7835) divided by 5 equals \$1567.

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- h. The discrepancy between cells D31 and L32 is the result of the prorated fees noted in the responses to parts e and f, above. Proration is authorized in note 11 of MCS 1515.2.