

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

NOTICE OF MARKET-DOMINANT
PRICE ADJUSTMENT

Docket No. R2015-4

**STATUS REPORT OF THE UNITED STATES POSTAL SERVICE
IN RESPONSE TO ORDER NO. 2472**
(August 5, 2015)

In Order No. 2472 (May 7, 2015), when approving the Postal Service's most recent price cap adjustments to Market Dominant rates, the Commission directed the Postal Service to develop and present estimated costs relating to several different types of mail. These topics were primarily discussed on pages 29-32, 43-43, and 54-55 of Order No. 2472, and the Postal Service was directed to respond within 90 days. The Postal Service hereby provides a status report explaining how it is responding to the various matters raised in those portions of Order No. 2472.

As apparently contemplated by Order No. 2472, the Postal Service is submitting three separate Petitions for Changes in Analytic Principles, in order to initiate rulemakings on the three major areas identified. Proposal Seven (Docket No. RM2015-16) has been submitted to address FSS costs for Standard Mail flats and Periodicals.¹

¹ Proposal Seven does not contain a Bound Printed Matter (BPM) flats cost study. The BPM mail processing cost model (Docket No. ACR2014, USPS-FY14-15) contains aggregate flats and parcels cost estimates. The Postal Service is currently evaluating whether it is feasible to develop separate and distinct mail processing cost models for BPM flats and parcels. The format for the BPM flats mail processing cost model would be similar to that used for Standard Mail flats. To the extent that the effort

Proposal Eight (Docket No. RM2015-17) has been submitted to address the costs of Standard Mail Carrier Route flats entered on 5-digit pallets. Lastly, Proposal Nine (Docket No. RM2015-18) has been submitted to address costs associated with new Carrier Route bundle and container options in Periodicals.

The Postal Service views the submission of the rulemaking proposals indicated above to constitute full compliance with its obligations under Order No. 2472. As a consequence, further developments on these topics will presumably occur in those dockets, rather than this one.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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to develop such models is successful, the Postal Service will subsequently file a separate proposal that covers BPM flats.