

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

Periodic Reporting
(UPS Proposals One, Two, and Three)

Docket No. RM2016-2

CHAIRMAN'S INFORMATION REQUEST NO. 6

(Issued December 23, 2015)

To assist in the evaluation of the petition of the United Parcel Service, Inc. (UPS) concerning changes in analytical principles,¹ the Postal Service is requested to provide written responses to the following questions. Answers shall be provided no later than January 8, 2016.²

In its Responses to CHIR No. 2, the Postal Service states that it “has attributed inframarginal costs to products in the only instance in which there is a reliably identified causal relationship between those inframarginal costs and the products that caused

¹ Petition of United Parcel Service, Inc. for the Initiation of Proceedings to Make Changes to Postal Service Costing Methodologies, October 8, 2015 (Petition). To support each of its proposals, UPS also submitted the Report of Dr. Kevin Neels Concerning UPS Proposals One, Two, and Three with the Petition.

² On December 17, 2015, the Postal Service filed a response to UPS's motion for issuance of an information request. Opposition of the United States Postal Service to UPS Motion Seeking Issuance of Information Request to the Postal Service, December 17, 2015 (Response); see Motion of United Parcel Service, Inc. for Issuance of Information Request to the United States Postal Service, December 16, 2015 (Motion for Information Request). In its Response, the Postal Service argues that the questions proposed in the Motion for Information Request do not seek to clarify the Postal Service's answers to prior information requests, but instead seek to argue with those answers. Response at 2. The Postal Service submits that UPS will have the chance to make whatever arguments it believes appropriate in its reply comments. *Id.* While the Acting Chairman accepts the Postal Service's opposition as it relates to questions 2 and 3 in the Motion for Information Request, he grants UPS's motion with respect to question 1.

them. This occurs in the calculation of incremental costs.”³ Please confirm that the Postal Service has not actually attributed any inframarginal costs to any individual competitive product since Congress enacted the Postal Accountability and Enhancement Act of 2006. If not confirmed, please explain the methodology used to define, calculate, and allocate inframarginal costs to individual competitive products, and provide all supporting workpapers.

By the Acting Chairman.

Robert G. Taub

³ Responses of the United States Postal Service to Questions 1-4 of Chairman’s Information Request No. 2, December 10, 2015, question 2 (Responses to CHIR No. 2).