

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Priority Mail
Priority Mail Contract 166

Docket No. MC2016-40

Competitive Product Prices
Priority Mail Contract 166 (MC2016-40)
Negotiated Service Agreement

Docket No. CP2016-49

CHAIRMAN'S INFORMATION REQUEST NO. 2
AND NOTICE OF FILING UNDER SEAL

(Issued January 13, 2016)

To clarify the Postal Service's request to add Priority Mail Contract 166 to the competitive product list of the Mail Classification Schedule (MCS), filed December 15, 2015,¹ the Postal Service is requested to provide written responses to the following questions. The responses are due no later than January 20, 2016.

1. Please refer to the financial workpapers filed with the Request.
 - a. Please confirm that miles and work hours for this contract will be disaggregated from all Priority Mail contracts.
 - b. If not confirmed, please explain why Priority Mail as a whole is an appropriate proxy for these elements in the analysis of this contract.

¹ Request of the United States Postal Service to Add Priority Mail Contract 166 to Competitive Product List and Notice of Filing (Under Seal) of Unredacted Governors' Decision, Contract, and Supporting Data, December 15, 2015 (Request).

- c. Please explain how the Special Purpose Route (SPR), City Carrier Assistant (CCA), and Rural Carrier Assistant (RCA) workhours will be determined for this contract.
 - d. Please explain if the Postal Service will report the disaggregation between SPRs and CCA routes by individual contract or for all same day delivery Priority Mail contracts.
2. The MCS identifies groups of Competitive Domestic Negotiated Service Agreements.² The Postal Service proposes to include this contract within the group “Priority Mail Contracts.” See MCS section 2505.5. Does the Postal Service object to:
 - a. Including this contract within a proposed new MCS group identified as “Priority Mail Same Day Delivery Contracts” (to be included in the MCS under proposed new section 2505.13)? If the Postal Service objects, please explain the reasons for each objection.
 - b. Renaming the agreement to fit within the proposed new group, e.g., “Priority Mail Same Day Delivery Contract 2”? If the Postal Service objects, please explain the reasons for each objection.
3. Please confirm that the data collected for this contract will be classified as Priority Mail for In-Office Cost System (IOCS); Management Operating Data System (MODS); Time and Attendance System (TACS); Revenue, Pieces, and Weight (RPW); and other Postal Service data reporting systems, as well as in the Annual Compliance Report and the Cost and Revenue Analysis Report.
 - a. If confirmed, please discuss the impact this contract will have on Priority Mail data as a whole in these data reporting systems and reports.

² Mail Classification Schedule (MCS) section 2505.2; see also 39 C.F.R. § 3020, subpart A, Appendix A.

- b. If not confirmed, please explain how data collected for this contract will be classified.
 - c. Please identify how employees' workhours will be measured when interacting with the packages associated with this contract.
4. Please explain how supervisor costs are piggybacked onto delivery cost calculations for this contract for CCA routes, RCA routes, and SPRs.³
5. The following question concerns administrative costs.
 - a. Please confirm that the Postal Service will continue to use the technology developed in the Metro Post market test to support this product.
 - b. If confirmed, please explain how the Postal Service proposes to treat any costs associated with changing or updating this technology over the duration of the contract.
 - c. If not confirmed, please explain how the Postal Service proposes to treat any costs associated with changing or updating any technology supporting this contract over its duration.
 - d. Please explain how future potential administrative costs for this contract will be treated and specifically identify if these costs will be disaggregated by individual contract or as a group of contracts.
6. Please see Attachment, filed under seal.
7. Please see Attachment, filed under seal.
8. Please see Attachment, filed under seal.
9. Please see Attachment, filed under seal.

³ See Docket No. MT2013-1, United States Postal Service, Metro Post Data Collection Report, Fiscal Year 2015, Quarter 4, December 8, 2015, at 2 n.6 (Q4 FY 2015 Metro Post Data Collection Report).

10. Please see Attachment, filed under seal.
11. Please see Attachment, filed under seal.

By the Acting Chairman.

Robert G. Taub