

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

RATE ADJUSTMENT DUE TO EXTRAORDINARY  
OR EXCEPTIONAL CIRCUMSTANCES

Docket No. R2013-11

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING  
BIWEEKLY SURCHARGE REVENUE REPORT**  
(February 16, 2016)

In accordance with Order No. 3030, issued on January 15, 2016,<sup>1</sup> the Postal Service hereby submits its second biweekly estimate of the incremental and cumulative surcharge revenue collected (“Biweekly Report”). As shown in the attached spreadsheet,<sup>2</sup> the Postal Service estimates that it has collected \$4.347 billion in cumulative surcharge revenue since implementation of the exigent surcharge, as of February 14, 2016, amounting to an increase of \$257 million since the close of Quarter 1 Fiscal Year (“FY”) 2016.<sup>3</sup>

The Postal Service reported in its Quarter 1 FY 2016 Revenue Collection Report that it has collected \$4.090 billion in cumulative exigent surcharge revenue as of December 31, 2015.<sup>4</sup> The Postal Service used the methodology described below to

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<sup>1</sup> Order No. 3030, Second Order on Surcharge Revenue Reporting, PRC Docket No. R2013-11 (Jan. 15, 2016), at 2. See also Order No. 2623, Order Resolving Issues on Remand, PRC Docket No. R2013-11R (July 29, 2015), at 63; Order No. 2319, Order on Exigent Surcharge Removal, PRC Docket No. R2013-11 (Jan. 12, 2015), at 7, 15 (initially mandating that the Postal Service file biweekly estimates “once it reaches the quarter in which it estimates the threshold will be reached”).

<sup>2</sup> The Biweekly Report is being filed with this pleading as ExigSrchgBIWEEKLY2(2Q14-2Q16\_Feb).xls.

<sup>3</sup> See Notice of the United States Postal Service of Filing Revenue Collection Report for Quarter 1 of Fiscal Year 2016, PRC Docket No. R2013-11 (Feb. 16, 2016) (hereinafter “Q1 FY 2016 Revenue Collection Report”) (reporting \$4.090 billion collected in cumulative revenue as of the close of Quarter 1 FY 2016).

<sup>4</sup> Q1 FY 2016 Revenue Collection Report.

estimate the revenue collected from the exigent surcharge between the end of Quarter 1 FY 2016 and February 14, 2016.

### **Estimated Exigent Surcharge Revenue Collection for January 2016 and February 1 through 14, 2016**

To estimate the revenue collected from the exigent surcharge in January 2016 and the first two weeks of February 2016, the Postal Service relied on historical exigent surcharge collection data. The revenues collected in Quarter 2 FY 2015 were allocated to months based on volumes in each month of the quarter and used as a starting point to reflect seasonality; the January 2015 revenues for each mail class were divided by the number of retail days in January 2015 to obtain the revenue collection per retail day. The same calculation was performed for February 2015. The per retail day collection for each month was adjusted based on the Quarter 1 FY 2016 volume growth compared to the same period last year. Next, for January, the Postal Service multiplied the adjusted revenue per retail day for each mail class by the number of retail days in January 2016. Similarly, for February 1 through February 14, 2016, the Postal Service multiplied the adjusted revenue per retail day for each mail class by the number of retail days during that period. Lastly, to account for exigent revenue collected from Forever stamps, the Postal Service multiplied the estimated number of Forever stamps sold between January 1 and February 14 by the 2 cent exigent surcharge.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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