

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**
(March 28, 2016)

In accordance with Order No. 3030, issued on January 15, 2016,¹ and Order No. 3103, issued on February 26, 2016,² the Postal Service hereby submits its fifth biweekly estimate of the incremental and cumulative surcharge revenue collected (“Biweekly Report”). As shown in the attached spreadsheet,³ the Postal Service estimates that it has collected \$4.575 billion in cumulative surcharge revenue since implementation of the exigent surcharge, as of March 27, 2016, amounting to an increase of \$484.3 million since the close of Quarter 1 Fiscal Year (“FY”) 2016.⁴

The Postal Service used the methodology described in its second Biweekly Report to estimate the revenue collected from the exigent surcharge between the end of

¹ 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”).

² Order No. 3103, Notice and Order on Removal of Exigent Surcharge, PRC Docket No. R2013-11 (Feb. 26, 2016), at 3 (“Pursuant to Order No. 3030, the Postal Service is to continue filing bi-weekly estimates of the incremental and cumulative surcharge revenue.”).

³ The Biweekly Report is being filed with this pleading as ExigSrchgBIWEEKLY5(2Q14-2Q16_Mar27).xls.

⁴ 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).

Quarter 1 FY 2016 and March 27, 2016.⁵ In addition, for March 1 through March 27, based on past mailer behavior before and after two recent price changes (the implementation of the exigent surcharge on January 26, 2014,⁶ and the Docket No. R2015-4 price change implemented on May 31, 2015⁷), the Postal Service adjusted the estimated revenue collected from Standard Mail, compared to the daily revenue figures that otherwise were expected based on the second Biweekly Report methodology.⁸

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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⁵ See Notice of the United States Postal Service of Filing Biweekly Surcharge Revenue Report, PRC Docket No. R2013-11 (Feb. 16, 2016), at 2. Calculations are updated to apply through March 27, including an estimate of Forever stamps sold between February 29 and March 27. See also Notice of the United States Postal Service of Filing Biweekly Surcharge Revenue Report, PRC Docket No. R2013-11 (Feb. 29, 2016), at 1–2; Notice of the United States Postal Service of Filing Biweekly Surcharge Revenue Report, PRC Docket No. R2013-11 (March 14, 2016), at 1–2 (relying on the same methodology). Although the Postal Service filed revisions to the FY 2015 Market-Dominant billing determinants on Friday, March 25, the revisions have an inconsequential effect on the amount of exigent revenue collected, and therefore do not impact the Postal Service’s estimate of when it will reach the exigent surcharge revenue limitation. See United States Postal Service, Notice of the United States Postal Service of Filing of Revised Portions of USPS-FY15-4 – Errata, PRC Docket No. ACR2015 (March 25, 2016).

⁶ See Order No. 1926, Order Granting Exigent Price Increase, PRC Docket No. R2013-11 (Dec. 24, 2013), at 193 (approving the exigent surcharge for implementation on January 26, 2014); United States Postal Service, Renewed Exigent Request of the United States Postal Service in Response to Commission Order No. 1059, PRC Docket No. R2010-4R/R2013-11 (Sept. 26, 2013), at 2 (stating that if approved, the exigent price increase would be implemented on January 26, 2014).

⁷ United States Postal Service, Response of the United States Postal Service to Order No. 2398, PRC Docket No. R2015-4 (April 16, 2015), at 3 (notifying the Commission that the Governors authorized the price adjustment to take effect on May 31, 2015).

⁸ This follows the approach presented in its notice of removal of the exigent surcharge. In that notice, the Postal Service made clear that in order to estimate the day that it would reach the exigent surcharge revenue limitation, it adjusted revenue collection figures based on past mailer behavior. See Notice of the United States Postal Service of Removal of the Exigent Surcharge, PRC Docket No. R2013-11 (Feb. 25, 2016), at 2.

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