

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

Before Commissioners:

Robert G. Taub, Acting Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton; and
Tony Hammond

Notice of Market Dominant
Price Adjustment

Docket No. R2017-1

COMMISSION INFORMATION REQUEST NO. 1

(Issued October 26, 2016)

To further clarify the Postal Service's Notice of Market Dominant Rate Adjustment in Docket No. R2017-1,¹ the Postal Service is requested to provide written responses or additional filings, when appropriate, to the following questions. Responses should be provided to individual questions as soon as they are developed, but no later than October 31, 2016.

Package Services

The Postal Service files quarterly Presort Bound Printed Matter Flats Billing Determinants with the Commission. For purposes of this request, please refer to the two Excel files that are attached, "PRC BPM FSS BD Dist.xlsx," and "PRC_CAPCALC-PACKSERV-R2017-1.xlsx." Excel file "PRC BPM FSS BD Dist.xlsx" contains the FY 2015 Quarter 4 and FY 2016 Quarters 1-3 Billing Determinants for Presort Bound

¹ United States Postal Service Notice of Market Dominant Price Adjustment, October 12, 2016 (Notice).

Printed Matter Flats previously filed with the Commission² and also includes the tab “Hybrid Year & FSS Distribution,” which was created by the Commission to distribute FSS volumes to Basic and Carrier Route Presort using the same method that was used in Docket No. R2015-4. In Docket No. R2015-4, the Postal Service used a distribution key of Basic and Carrier Route Presort volumes to calculate FSS volume by rate category.³

- a. The tab “Hybrid Year & FSS Distribution” demonstrates step-by-step the process of the distribution of FSS volume using the same method as Docket No. R2015-4. This shows the Hybrid year linked directly to FY 2015 Quarter 4 and FY 2016 Quarters 1-3 Presort Bound Printed Matter Flats Billing Determinants in chart 1, cells D7:T20. This hybrid year has the correct volumes for DFSS Facility and DFSS Scheme Presort. The Non-FSS total volume is combined from the hybrid billing determinants in chart 2, labeled “Non-FSS Total (Basic Presort+ Carrier Route Presort),” cells D28:G40. In chart 3, each Non-FSS rate category total volume is disaggregated into Basic Presort or Carrier Route Presort distribution percentages in a Distribution Key. In chart 4, cells D66:N78, the Basic Presort+ Carrier Route Presort percentages from the Distribution Key in chart 3 are multiplied by the FSS volumes from the hybrid year billing determinants in chart 1. As a result, chart 4 contains a redistribution of FSS volume based on the billing determinants. The volumes from chart 4 are then used for the FSS volumes in Excel file “PRC_CAPCALC-PACKSERV-R2017-1.xlsx,” tab “BPM Presort Flats BDs.” This changes the BPM Flats aggregate percent rate increase to 0.703 percent, per tab “BPM Flats Rev. @ New Prices,” cell I182. Please

² See revised Library Reference USPS-LR-R2017-1/4, Excel file “PRC_CAPCALC-PACKSERV-R2017-1 Rev10-21.xlsx.”

³ See Docket No. R2015-4, Response of the United States Postal Service to Order No. 2398, April 16, 2016, at 13-24.

compare this to the BPM Flats aggregate percent rate increase of 0.832 percent in Library Reference USPS-LR-R2017-1/4, Excel file "CAPCALC-PACKSERV-R2017-1 Rev10-21.xlsx," tab "BPM Flats Rev. @ New Prices," cell I182.⁴ Please confirm that this is the same method used in Docket No. R2015-4. If not confirmed, please explain.

- b. Please refer to the FY 2014 Quarter 4 and FY 2015 Quarters 1-2 Presort Bound Printed Matter Flats RPW Data previously filed with the Commission.⁵ Please confirm that the RPW data listed for FY 2014 Quarter 4 is the FY 2014 Quarter 1 data. If confirmed, please file the RPW extract data for FY 2014 Quarter 4. If not confirmed, please explain.

By the Commission.

Stacy L. Ruble
Secretary

⁴ This was filed on October 12, 2016, and revised on October 21, 2016. The Postal Service attached the revised Library Reference USPS-LR-R2017-1/4 in its response to Chairman's Information Request No. 2. See Response of United States Postal Service to Questions 1, 2(a), 3(a), 4, 6, and 7 of Chairman's Information Request No. 2, October 21, 2016 (Response to CHIR No. 3).

⁵ Response to CHIR No. 3, question 3.