Postal Regulatory Commission
Submitted 08/13/2024 03:29 PM
Filing ID: 130055
Accepted 8/13/2024

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

PERIODIC REPORTING (PROPOSAL EIGHT)	Docket No. RM2024-2

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO QUESTIONS 1-10 OF CHAIRMAN'S INFORMATION REQUEST NO. 4
(August 13, 2024)

The United States Postal Service hereby provides its responses to the above listed questions of Chairman's Information Request No. 4, issued July 30, 2024. The questions are stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

_____
Eric P. Koetting

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 277-6333
eric.p.koetting@usps.gov
August 13, 2024

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 4

1. Please refer to the Response that states "[h]igh-coverage routes can be identified as those in the highest quartile of the coverage distribution and low-coverage routes as those in the lowest quartile." Response at 12.

a. Please explain why the low-coverage and high-coverage route groups are constructed based on the lowest and the highest quartiles of coverage, respectively, rather than narrower groupings such as the lowest and highest decile (or percentile), or broader groupings such as the median coverage, *i.e.*, the low-coverage group consists of routes with less coverage than the median coverage and the high-coverage group consists of routes with more coverage than the median coverage.

b. Please provide an analysis comparing the alternative groupings in part a. to the proposed high- and low-coverage route groupings.

RESPONSE:

The goal of the cited research is to provide some empirical insight into which products are associated with increases in volume when moving from low-coverage routes to high-coverage routes:[1]

> Conceptually, products that have a high impact on coverage should appear more frequently on routes that have high levels of coverage. Products that have a low impact on coverage would likely have volumes that are not that much larger on high-coverage routes than on low-coverage routes.

To that end, it is useful to identify groups of high-coverage and low-coverage routes that are not too narrow, and not too broad. If the groups are too narrow, there may not be sufficient data in each group to accurately represent the volume profiles for high-coverage and low-coverage routes, and the groups may be subject to undue

[1] See, Research Undertaken and Results Produced in Response to Commission Order 7049. Docket No. RM2024-2, July 1, 2024 at 12.

influence from extreme, atypical, routes. On the other hand, if the groups are too broad, then the actual distinction between high and low coverage routes may be blurred. Choosing high-coverage and low-coverage routes based upon the highest and lowest quartile avoids both of these potential concerns and provides a solid basis for examining how different product volumes change when going from low-coverage routes to high-coverage routes.

b. The results from the suggested alternatives (percentile, decile, median) all support the groupings found in the quartile analysis. In fact, these additional analyses (all documented in USPS-RM2024-2-NP6) demonstrate how robust the quartile-based high-coverage impact and low-coverage impact groups are, as all three methods produce the same high-coverage impact and low-coverage impact groups. Table 1 presents the percentage differences in volume for the products with large volume growth between low-coverage and high-coverage routes, for the various measurements. As expected, it shows the largest differences for the percentile approach, because that approach isolates the largest and smallest one-percent routes by coverage. It also demonstrates the extreme nature of that comparison, as many of the products show growth of hundreds, if not thousands, of percent. Note that the included products all have large volume differences regardless of which measure is used to form the groups.

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 4

Table 1: Products with Large Volume Differences

Differences in Volumes Per Address Between High-Coverage and Low-Coverage Routes

Measure	WSS letters	WSS flats	Boxholder flats	Boxholder letters	Carrier Route flats	DPS letters
Percentile	3267.6%	1838.5%	514.0%	729.9%	158.6%	99.7%
Decile	776.2%	651.4%	207.2%	263.5%	129.3%	83.2%
Quartile	410.3%	357.4%	119.9%	154.4%	90.4%	58.6%
Median	208.8%	182.5%	64.6%	85.1%	51.7%	34.4%

Table 2 presents the similar table for the low-impact coverage products that have relatively small volume changes between high-coverage and low-coverage routes. The table reveals that these products have relatively small volume differences even for the percentile analysis. For that option, the volume of parcels delivered to the door is actually smaller for high-coverage routes than for low-coverage routes, reflecting the fragility of using just extreme values. As with Table 1, the results of Table 2 demonstrate that the groups developed using the quartiles would also be formed using the other measures. This suggests that the defined groups are effective and are identifying the high-coverage impact and low-coverage impact products. This is reinforced by the fact that when the two-variable coverage model is estimated, the variability for the high-impact group is six times larger than the variability for the low-impact group.[2]

[2] Please note that the percentage difference for accountables reported in Table 2 is modestly different from the corresponding percentage difference for accountables

Table 2: Products with Low Volume Differences

Differences in Volumes Per Address Between High-Coverage and Low-Coverage Routes

Measure	Parcels delivered to mailbox	Random flats	Parcels delivered to parcel locker	Parcels delivered to door	Random letters	Accountables
Percentile	68.4%	5.7%	-10.6%	29.6%	33.3%	3.4%
Decile	60.9%	43.7%	12.0%	32.3%	26.4%	-5.3%
Quartile	41.8%	37.4%	25.1%	24.1%	18.9%	3.3%
Median	24.2%	24.7%	22.0%	13.4%	11.9%	3.8%

reported in Figure 6, on page 14, of the Bradley Order 7049 Report. During the process of estimating the percentage differences for the other coverage measures, a small typographical error in the calculation of the accountables percentage was discovered and corrected. This correction is the cause of the difference in the two reported percentages. The corrected quartile program, and its log and listing, are included in USPS-RM2024-2-NP6. This revision has no impact on the choice of product groups proposed in the Bradley Order 7049 Report and corroborated in this response.

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 4

2. Please refer to the Response that states "[t]o facilitate the analysis, similar [Rural Route Evaluated Compensation System (RRECS)] products are combined" such as for door parcels, mailbox parcels, locker parcels, and accountables. *Id.* at 12 n.7.

a. Please elaborate on how the grouping of similar products facilitated the analysis of coverage variability.

b. Please confirm a similar analysis was conducted without grouping similar products and compared to the proposed analysis. If confirmed, please provide the results. If not, please explain why not.

RESPONSE:

a. The analysis being referred to is the examination of percentage differences in product volumes between high-coverage routes and low-coverage routes. To have an effective determination of those percentage differences, it is important that the product volumes be material. Otherwise, the comparison will not provide any useful information for understanding the relationship between product volume and coverage. The grouping of products, as described in the cited footnote, ensures that the compared volumes were material.

For example, nearly all parcels delivered by the Postal Service on rural routes are scanned. Although RRECS provides a breakout of door, mailbox, and locker parcels by those that are scanned and those that are not scanned, scanned parcels make up 99 percent of total parcels. There is no additional information about the impact of say, door parcels, on coverage by separately looking at the one-half of one percent of door parcels that are not scanned. A more effective understanding of the impact of the

volumes of door parcels on coverage is produced by combing scanned and unscanned parcels into a single door parcel variable.

Similarly, there are only 0.0066 pieces of Customs Due and 0.0007 pieces of COD delivered, on average, per day on rural routes. A more effective understanding of the impact of accountables on coverage is produced by combining these tiny volumes with signature accountable mail and Postage Due into a single accountables volume.

b. Not confirmed. As explained in part a., above, the extremely small volumes for the products that were combined with their larger cousins precludes them from providing, by themselves, any additional empirical insight. The postulated similar analysis thus would not provide any additional useful information and was not performed.

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 4

3. The Postal Service acknowledges the Commission's indication that "volume will generally be higher on high-coverage routes than on low-coverage routes[.]" *Id*. at 12. It also states that "[t]his [high-coverage-impact] characteristic can be examined by first identifying high-coverage and low-coverage routes and then calculating the differences in volumes per address across the two types of routes." *Id*. Please confirm delivery point sequence (DPS) flats is excluded from the quantile analysis and regression estimation. If not confirmed, please explain whether it falls under the high-coverage-impact group or the low-coverage-impact group and justify this classification.

RESPONSE:

Confirmed. The Postal Service has phased out DPS flats, otherwise known as FSS flats. Going forward, there will be no volume for this product, so it was not included in the analysis and the measurement of coverage variability.

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 4

4. Please refer to the Response that states that "[mail makeup] requirements set minimum volumes per route for mailers who would like to take advantage of the established rates for such products." *Id.* at 9-10.

a. Please refer to the Response in which the Postal Service states "[f]or example, if eligibility for a product requires a piece be sent to every, or nearly every, address on a carrier route, this requirement is likely to have a material impact on coverage on the days that the mailings are delivered. Note that this is different from being a high-volume product, because such mailings could occur rarely on the route, causing the product's annual (and thus average daily) volume to be relatively low." *Id*. at 10. Please confirm the Postal Service is describing how the mail makeup requirements for walk-sequence saturation (WSS) Letters and Flats "suggest that these products are likely to have a relatively high impact on coverage, given their volume." *Id*. If not, please explain.

b. Please explain how the mail makeup requirements for Carrier Route Flats "suggest that these products are likely to have a relatively high impact on coverage, given their volume." *Id*.

c. Please confirm that mail makeup requirements for products classified as low-coverage-impact do not "suggest that these products are likely to have a relatively high impact on coverage, given their volume." *Id.* If not confirmed, please explain.

RESPONSE:

a. Not confirmed. The Bradley Order 7049 Report is describing how any product subject to relevant mail makeup requirements, not just WSS flats and letters, could have a high coverage impact. For example, mail makeup requirements for Boxholder letters and flats could contribute to why they have a relatively high impact on coverage.

b. Carrier Route Flats are typically large mailings (of at least 200 pieces) that are often grouped to a single carrier route and made up in line-of-travel or walk sequence. The characteristics suggest that Carrier Route Flats are likely to have a relatively high

impact on coverage as they could provide a relatively high amount of volume on a route and would typically have only one piece per address.

c. Confirmed that products that are classified as low-coverage impact do not have the mail makeup requirements that would tend to increase coverage. The homogeneity discussed in the Bradley Order 7049 Report refers to a relatively high (or low) coverage-causing impact among products, not homogenous reasons for that impact.

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 4

5. Please refer to the Response that states that "Postal Service data can be used, however, to produce indirect measures of the impact of different products on coverage. When these indirect measures are combined with mail makeup requirements and relative volumes, sufficient information is produced to identify homogenous coverage-causing product groups." *Id.* at 11. Please also refer to the Response that identifies three factors that it hypothesizes determine a product's coverage-causing impact: less volume of other products on its routes, tendency for the product to be delivered in one piece per address, and high relative volume. *Id*. at 3-4. The Postal Service states that "[t]hese factors are separate from one another and may work in opposing directions for a particular product. They are not proxies for one another." *Id.* at 4. In particular, the Postal Service notes that a one piece per address delivery pattern is different in terms of coverage impact than a product being high-volume. *See id.* at 10.

a. Please confirm that the proposed analysis suggests that DPS letters have a high coverage impact primarily due to its high relative volume. *See id.* at 11. If not confirmed, please explain.

b. Please confirm that DPS letters, carrier route flats, WSS letters, WSS flats, boxholder letters, and boxholder flats are considered to have homogenous high-coverage-causing characteristics in the current proposal. *See id.* at 14. If not confirmed, please explain.

c. Please explain why DPS letters and other high-coverage-causing products are both expected to have homogenous coverage-causing characteristics, considering that DPS letters affect coverage through relative volume, while the others affect coverage through a different factor (pattern of delivery).

RESPONSE:

a. Not confirmed. The analysis clearly demonstrates that DPS letters have a high coverage impact, and that its large volume is a contributor to that impact, but the analysis does not (and does not need to) measure the relative contribution of the three different factors that can produce a high-coverage impact.

b. Not confirmed. The cited text on page 14 lists all three factors as reasons why the high-impact variables tend to produce higher levels of coverage:

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 4

Based upon mail makeup requirements, relative volumes, and the previous analysis of coverage response to volume differences, it is possible to identify two groups of homogenous coverage-causing products. The first one includes products that are high-coverage-causing products and the other includes low-coverage-causing products.

The analysis clearly demonstrates that DPS letters, carrier route flats, WSS letters, WSS flats, boxholder letters, and boxholder flats have a high coverage impact, but the analysis does not (and does not need to) measure the relative contribution of the three different factors that can produce a high-coverage impact. The homogeneity discussed in the Bradley Order 7049 Report refers to a relatively high (or low) coverage-causing impact among products, not homogenous reasons for that impact.

c. Two products could both have a high-coverage impact even though the reasons for that impact could differ across the products. Product A could have a high volume while Product B could be distributed in a pattern that produces a high coverage relative to its annual volume.

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 4

6. Please refer to the Response in which the Postal Service estimates quadratic equations for direct door deliveries (DDD) ("number of deliveries"), Initial Trips to the Door (ITD) ("number of direct door delivery parking points"), carrier pickups (PU) ("number of carrier pickups"), and EOS ("End-of-Shift"). *Id.* at 21, 24, 27, 29. Please explain the justification for utilizing quadratic regressions for each estimation.

RESPONSE:

Previous research estimating delivery models, by the Postal Regulatory Commission and others, has successfully employed a quadratic functional form.[3] This suggests the quadratic form is likely to be appropriate for estimating the delivery densities associated with direct door deliveries (DDD), initial deliveries to the door (ITD), and carrier pickups (PU). In addition, the quadratic form is a flexible functional form. This means it allows for, but does not pre-specify, the existence of economies of density in delivery, which is the preeminent characteristic linking cost responses to volume changes.

A flexible functional form is appropriate when the researcher does not have any engineering or other *a priori* information that would guide the choice of a specific functional form. This characteristic of the quadratic form is particularly useful for the

[3] For example, s*ee*, Order No. 2792, Order Approving Analytical Principles Used in Periodic Reporting (Proposal Thirteen), Docket No. RM2015-7 October 29, 2015 at Appendix B, at 2, and Appendix C at 3 and Order No. 5405, Order on Analytical Principles Used in Periodic Reporting (Proposal One), Docket No. RM2019-6, January 14, 2020 at 34.

end of shift (EOS) equation, where the nature of cost generation in response to volume is unknown.

The quadratic functional form is also robust to the existence of zero values for the included cost drivers. This characteristic of a quadratic form is also particularly useful for the EOS equation, as there are over 7,500 observations for which the EOS collection variable takes on a zero value and over 27,500 observations for which the EOS carrier pickup variable takes on a zero value.

In sum, the quadratic functional form provides a flexible estimation approach that allows the data to determine the required variabilities, while being sufficiently robust to handle the nature of data being employed.

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 4

7. Please refer to the Response in which the Postal Service proposes Carrier Pickup variability is 3.14 percent, Collection Box variability is 2.82 percent, and, thus, total EOS variability is 5.96 percent. *Id.* at 30, Table 13. Please explain why the total EOS variability is the sum of the variabilities for Carrier Pickup and Collection Box, using mathematical formulas if needed.

RESPONSE:

In the Commission's established methodology, cost variabilities are calculated by measuring the responsiveness of a cost pool's cost with respect to its cost driver. A cost driver is an observable variable that reflects the activity involved in the cost pool and captures the incurrence of cost that arises from changes in volume. A cost driver could be, for example, IOCS tallies for mail processing, Work Service Credits for postmasters, cubic foot-miles for highway transportation, or delivered volumes for city carriers. The Commission's methodology relies upon measuring, or assuming, the relationship between cost pool cost, C, and the cost driver, D. In general terms, the relationship between cost and the driver is given by the variability equation:

$$C = f(D).$$

To facilitate this explanation, we will specify a simple linear variability equation:

$$C = \beta_0 + \beta_1 D.$$

The rate at which cost responds to a change in the driver is given by the marginal cost of the driver:

$$\frac{\partial C}{\partial D} = \beta_1.$$

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 4

The percentage response in cost to percentage changes in the driver, which is known as the driver variability, is given by:

$$\varepsilon_{C,D} = \frac{\partial C}{\partial D}\frac{D}{C} = \beta_1 \frac{D}{C}.$$

However, the established methodology is designed to measure the *volume* variability, not just the driver variability. It does this by explicitly recognizing that the amount of the driver is a function of volume:

$$C = \beta_0 + \beta_1 D(V).$$

The rate at which cost responds to a change in volume is given by the marginal cost of volume:

$$\frac{\partial C}{\partial V} = \beta_1 \frac{\partial D}{\partial V}.$$

The percentage response in cost to a change in volume is given by:

$$\varepsilon_{C,V} = \frac{\partial C}{\partial V}\frac{V}{C} = \beta_1 \frac{\partial D}{\partial V}\frac{V}{C}.$$

This variability expression can be expressed in a more meaningful form by multiplying it by one (D/D):

$$\varepsilon_{C,V} = \beta_1 \frac{\partial D}{\partial V}\frac{V}{C}\frac{D}{D}.$$

Or:

$$\varepsilon_{C,V} = \beta_1 \frac{D}{C} * \frac{\partial D}{\partial V}\frac{V}{D}.$$

The first term is just the estimated variability, so:

$$\varepsilon_{C,V} = \varepsilon_{C,D} * \frac{\partial D}{\partial V}\frac{V}{D}.$$

In the established methodology, it is typically assumed that the rate at which the driver changes with respect to a change in volume is given by the current ratio of driver per volume (D/V).[4] As a result, the elasticity of the driver with respect to volume, the second term in the above expression is one, and the volume variability equals the driver variability:

$$\varepsilon_{C,V} = \varepsilon_{C,D}.$$

Now consider the case in which the cost pool has two cost drivers, D_1 and D_2:

$$C = \beta_0 + \beta_1 D_1 + \beta_2 D_2.$$

With two cost drivers, there are two marginal costs of a driver:

$$\frac{\partial C}{\partial D_1} = \beta_1, \ \frac{\partial C}{\partial D_2} = \beta_2.$$

There are also two variabilities:

$$\varepsilon_{C,D_1} = \frac{\partial C}{\partial D_1}\frac{D_1}{C} = \beta_1\frac{D_1}{C}, \qquad \varepsilon_{C,D_2} = \frac{\partial C}{\partial D_2}\frac{D_2}{C} = \beta_2\frac{D_2}{C}.$$

Both cost drivers are functions of volumes:

---

[4] The exception to this assumption occurs in purchased highway transportation, in which the elasticity of cubic foot-miles with respect to volume is estimated using TRACS data. See, Order No. 3973, Docket No. RM2016-12 (June 22, 2017) at 5-15.

$$C = \beta_0 + \beta_1 D_1(V) + \beta_2 D_2(V).$$

The marginal cost of volume is given by:

$$\frac{\partial C}{\partial V} = \beta_1 \frac{\partial D_1}{\partial V} + \beta_2 \frac{\partial D_2}{\partial V}.$$

The percentage response in cost to a change in volume is given by:

$$\varepsilon_{C,V} = \beta_1 \frac{\partial D_1}{\partial V}\frac{V}{C} + \beta_2 \frac{\partial D_2}{\partial V}\frac{V}{C}.$$

Multiplying each right-hand-side term by one, in the relevant form, and rearranging terms yields:

$$\varepsilon_{C,V} = \varepsilon_{C,D_1} + \varepsilon_{C,D_2}.$$

This demonstrates that the overall variability is the sum of the two driver variabilities. Please note that although the total EOS variability is the sum of the individual variabilities, the total EOS variability is not used in calculating the proposed attributable costs. Instead, the two individual variabilities are used to find separate proposed volume variable costs for an EOS-Pickup cost pool and an EOS-Collection cost pool.

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 4

8. Please refer to the Response in which the Postal Service proposes that for Sequence 083, Miscellaneous Activities, the variability should be "the overall variability (and distribution) for all other rural carrier labor time, applying the assumption that miscellaneous time varies in proportion to all other rural carrier time." *Id.* at 32. The Response also states that "[f]urther investigation revealed that the times for Sequence 083 are recorded in the Mini Mail Survey and the sequence is designed to cover the small number of unusual circumstances not included in RRECS' other ninety-seven time sequences." *Id*. at 31. The Postal Service provides the following examples of the rare circumstances: "time spent answering customer questions over the phone or at the window, if this activity takes place on a daily or weekly basis, time associated with dealing with vacation holds, or time associated with obtaining the key, unlocking the gate, locking the gate and returning the key for deliveries within a gated community." *Id*. at 31-32.

a. Please identify any other known activities or unusual circumstances that would be included in Sequence 083.

b. For each identified activity in Sequence 083, please provide a brief explanation of whether, and if so by what mechanism, changes in volume affect the total amount of time spent on the activity.

RESPONSE:

a. Please note that, by definition, miscellaneous activities are activities for which there is not a complete list of circumstances. Instead, miscellaneous activities are very small amounts of time on a carrier's route not captured by the exhaustive list of RRECS activities. Some miscellaneous activities are specific to individual routes that occur regularly on a daily or weekly basis. Others can be classified in a few general areas. Those areas are listed, and described, below:

Required Customer Communications
This includes time to answer customer questions across the counter or over the phone, if such duties occur daily or weekly.

Electronic Parcel Lockers (EPLs)
This includes the time required to service EPLs on a daily basis, including any time the carrier is required to wait to gain access to the locker keypad

Reloading Satchel
This includes time to reload a satchel if required for multiple dismount deliveries.

Extra Time – Dismount
This includes any additional time associated with accessing delivery points at an authorized dismount such as, key keeper, security guard/gate check-in, or access code entry.

b. The possible mechanisms through which volume could affect miscellaneous time for each of the identified areas are discussed below.

Time for required customer communications could be tangentially related to volume. If customer question time is related to volume, then a change in the number of questions could, conceivably, cause a change in customer communication time. Time for servicing Electronic Parcel Lockers could be related to volume as changes in the amount of volume going to EPLs could affect the amount time required for servicing them. Time for reloading satchels could be related to volume if changes in volume affected the amount of required satchel reloads. Extra time for dismounts is unlikely to be related to volume, as it seems to be determined by the physical layout of route, not volume.

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 4

9. Please refer to the Response that states that "RRECS does have measures of the number of blue boxes serviced and the number of [cluster box unit] and central collection points on each route."[5] Please confirm whether these referenced measures constitute all the potential types of collection points on a route. If not confirmed, please provide an exhaustive list of all the potential types of collection points on a route.

RESPONSE:

Confirmed. The referenced measures from the question constitute all the dedicated service collection points on the route.

[5] *See id*. at 29; *see also* United States Postal Service Publication 32 - Glossary of Postal Terms, July 2013, available at *https://about.usps.com/publications/pub32/pub32_terms.htm*.

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 4

10. Please confirm that impact files were filed to assess the costing impact of adopting the Postal Service's proposed analytical changes. If confirmed, please direct the Commission to the underlying costing impact files. If not confirmed, please provide public and non-public costing impact files.

RESPONSE:

The public version of the impact of the proposed variabilities is provided below in Table 3. It presents the unit costs from the FY2022 ACR, the unit costs calculated by the Commission for Order No. 7049, and the unit costs arising from the Postal Service's proposed analytical changes, following the Commission's order. It also presents the differences between the Commission's Order No. 7049 unit costs and the FY2022 ACR unit costs, as well as the differences between the unit costs arising from the Postal Service's proposed analytical changes and the Commission's Order No. 7049 unit costs. The non-public version of the impact analysis relating to this response is separately provided under seal in USPS-RM2024-2-NP6. The public versions of the Excel workbooks supporting the impact analysis are provided in USPS-RM2024-2-2.

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 4

Table 3: Public Impact Analysis

Product	ACR 2022	Proposal 8 PRC Version	Proposal 8 New Variabilities	PRC Version Minus ACR 2022	New Variabilities Minus PRC Version
Single-Piece Letters	$0.360	$0.357	$0.358	-$0.003	$0.001
Single-Piece Cards	$0.353	$0.351	$0.351	-$0.001	$0.000
Presort Letters	$0.141	$0.143	$0.143	$0.002	$0.000
Presort Cards	$0.100	$0.102	$0.102	$0.002	$0.000
Flats	$1.338	$1.325	$1.325	-$0.013	$0.000
Total First-Class Mail	$0.223	$0.223	$0.224	$0.000	$0.001
High Density and Saturation Letters	$0.094	$0.096	$0.096	$0.002	$0.000
High Density and Saturation Flats/Parcels	$0.141	$0.137	$0.137	-$0.004	$0.000
Every Door Direct Mail-Retail	$0.075	$0.078	$0.078	$0.003	$0.000
Carrier Route	$0.305	$0.294	$0.294	-$0.011	$0.000
Letters	$0.119	$0.122	$0.122	$0.002	$0.000
Flats	$0.721	$0.709	$0.709	-$0.012	$0.000
Parcels	$2.040	$2.081	$2.075	$0.041	-$0.006
Total USPS Marketing Mail	$0.158	$0.158	$0.158	$0.000	$0.000
Total Periodicals	$0.461	$0.449	$0.449	-$0.012	$0.000
Bound Printed Matter Flats	$0.696	$0.683	$0.683	-$0.013	$0.000
Bound Printed Matter Parcels	$1.138	$1.333	$1.310	$0.196	-$0.024
Media/Library Mail	$4.634	$4.651	$4.648	$0.017	-$0.004
Total Package Services	$1.770	$1.869	$1.856	$0.099	-$0.013
Total Domestic Market Dominant Mail	$0.199	$0.199	$0.199	$0.000	$0.000
Certified Mail	$2.778	$2.317	$2.281	-$0.461	-$0.037
COD	$14.737	$11.437	$11.425	-$3.300	-$0.011
Insurance	$1.847	$1.735	$1.726	-$0.112	-$0.009
Registered Mail	$14.467	$14.110	$14.082	-$0.357	-$0.028
Money Orders	$2.583	$2.581	$2.581	-$0.002	$0.000
Total Domestic Competitive Mail and Services	$2.794	$2.950	$2.927	$0.155	-$0.023
	(1)	(2)	(3)	(2)-(1)	(3)-(2)

Sources:

(1) RRECS Public Cost Impact.ChIR.4.xlsx, Tab RRECS Cost Impact Public

(2) RRECS Non-Public Cost Impact.ChIR.3_agg.xlsx, Table 4-PRC Public

(3) RRECS Public Cost Impact.ChIR.4.xlsx, Tab RRECS Cost Impact Public