

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

Before Commissioners:

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

Periodic Reporting
(Proposal Four)

Docket No. RM2017-8

NOTICE OF PROPOSED RULEMAKING ON
ANALYTICAL PRINCIPLES USED IN PERIODIC REPORTING
(PROPOSAL FOUR)

(Issued July 5, 2017)

I. INTRODUCTION

On June 30, 2017, the Postal Service filed a petition pursuant to 39 CFR 3050.11 requesting the Commission to initiate an informal rulemaking proceeding to consider proposed changes to an analytical method related to periodic reports.¹ The Petition identifies the proposed analytical method changes filed in this docket as Proposal Four.

¹ Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Four), June 30, 2017 (Petition).

II. PROPOSAL FOUR

Background. The Postal Service currently uses a Form 3999 (street evaluations) data set, supplemented with information collected as part of the Parcel/Accountable Study (Package Study), to assign city carrier letter route street costs to products.²

Proposal. Because the activity times collected during the Package Study are not part of an ongoing Postal Service data system, “the parcel and accountables cost pool proportions have essentially remained unchanged since the Package Study was conducted in the spring of 2014.” Petition at 3. Proposal Four would modify the current methodology for assigning city carrier letter route street costs to products by adjusting the letter route street cost pools to more accurately reflect carriers’ street activities and thereby more precisely attribute costs to products. *Id.*

Rationale and impact. The Postal Service states that Proposal Four would update parcel delivery cost pool proportions to reflect the increase in parcel delivery activity that has taken place since 2014. *Id.* at 6. The Postal Service states further that Proposal Four would reduce the regular delivery street time proportion by the increases of the proportions for in-receptacle parcels and deviation parcels and accountables. *Id.* Proposal Four would also allow cost pool proportions to be easily adjusted annually. *Id.* at 8. To illustrate Proposal Four’s potential impact, the Postal Service provides a table for each market dominant product and for aggregate domestic competitive and international mail and services. *Id.* at 8-9.

III. NOTICE AND COMMENT

The Commission establishes Docket No. RM2017-8 for consideration of matters raised by the Petition. More information on the Petition may be accessed via the Commission’s website at <http://www.prc.gov>. Interested persons may submit comments on the Petition and Proposal Four no later than August 9, 2017. Pursuant to 39 U.S.C.

² Petition at 2; see Docket No. RM2015-7, Order No. 2792, Order Approving Analytical Principles Used in Periodic Reporting (Proposal Thirteen), October 29, 2015.

505, Lawrence Fenster is designated as officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. RM2017-8 for consideration of the matters raised by the Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Four), filed June 30, 2017.
2. Comments by interested persons in this proceeding are due no later than August 9, 2017.
3. Pursuant to 39 U.S.C. 505, the Commission appoints Lawrence Fenster to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this docket.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Ruth Ann Abrams
Acting Secretary