

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

Before Commissioners:

Robert G. Taub, Chairman;  
Michael Kubayanda, Vice Chairman;  
Mark Acton;  
Ann C. Fisher; and  
Ashley Poling

Periodic Reporting  
(Proposal Seven)

Docket No. RM2019-12

ORDER ON ANALYTICAL PRINCIPLES USED IN PERIODIC REPORTING  
(PROPOSAL SEVEN)

(Issued January 6, 2020)

I. INTRODUCTION

On August 23, 2019, the Postal Service filed a petition pursuant to 39 C.F.R. § 3050.11, requesting that the Commission initiate a rulemaking proceeding to consider changes to the analytical methods approved for use in periodic reporting.<sup>1</sup> Proposal Seven seeks to revise the costing methodology used to allocate accrued costs for supervisors at delivery and window units, jointly referred to as customer service offices, on Sundays and holidays.<sup>2</sup>

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<sup>1</sup> Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles, August 23, 2019, at 1 (Petition). The proposal is attached to the Petition (Proposal Seven).

<sup>2</sup> See Petition, Proposal Seven at 1 n.1.

Under the current methodology, the Postal Service develops the total costs for supervisors at customer service offices in the Cost and Revenue Analysis (CRA). Petition, Proposal Seven at 1. The Postal Service then allots a share of these supervisor costs to Sundays and holidays, using sampling from the In-Office Cost System (IOCS).<sup>3</sup> Proposal Seven seeks to determine the share of these costs using census data from the Time and Attendance Collection System (TACS) and to distribute the costs to products using a distribution key developed from the Sunday/holiday delivery scans collected through Product Tracking and Reporting (PTR).<sup>4</sup> For the reasons discussed below, the Commission approves a modified version of Proposal Seven.

## II. PROCEDURAL HISTORY

On August 26, 2019, the Commission issued a notice initiating this proceeding, providing for the submission of comments, and appointing a Public Representative.<sup>5</sup> Chairman's Information Request No. 1 was issued on September 9, 2019.<sup>6</sup> The Postal Service responded to CHIR No. 1 on September 17, 2019.<sup>7</sup> The Public Representative

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<sup>3</sup> See Docket No. ACR2018, Library Reference USPS-FY18-37, December 28, 2018, PDF file "USPS-FY18-37.PREFACE.pdf," at 3. The IOCS is designed to supplement the accounting system data (cost totals by craft type and office CAG/finance group) by sampling employees and collecting more detailed information as to their activity. *Id.* at 2-3.

<sup>4</sup> Petition, Proposal Seven at 2. The use of the PTR distribution key for Sunday/holiday city carrier costs was approved in another proceeding. See Docket No. RM2018-5, Order Approving in Part Proposal Two, January 8, 2019 (Order No. 4972). The "PTR is a database that stores tracking scan data for packages and extra services products bearing barcodes compatible with the tracking system. The scan events take place from acceptance to delivery. The tracking information comes from business mailers' files, handheld scanners, retail equipment, mail processing equipment, and other Postal Service data systems." Docket No. RM2015-7, Response of the United States Postal Service to Commission Order No. 2792, February 16, 2016, at 6.

<sup>5</sup> Notice of Proposed Rulemaking on Analytical Principles Used in Periodic Reporting (Proposal Seven), August 26, 2019 (Order No. 5211).

<sup>6</sup> Chairman's Information Request No. 1, September 9, 2019 (CHIR No. 1).

<sup>7</sup> Responses of the United States Postal Service to Questions 1-4 of Chairman's Information Request No. 1, September 17, 2019 (Response to CHIR No. 1).

filed comments on September 26, 2019.<sup>8</sup> Chairman's Information Request No. 2 was issued on October 11, 2019.<sup>9</sup> The Postal Service responded to CHIR No. 2 on October 18, 2019.<sup>10</sup> Chairman's Information Request No. 3 was issued on November 25, 2019.<sup>11</sup> The Postal Service responded to CHIR No. 3 on December 3, 2019.<sup>12</sup>

### III. PROPOSAL SEVEN

*Background.* Proposal Seven seeks to change the methodology used to determine the share of supervisor costs on Sundays and holidays at customer service offices and to distribute these costs to products.<sup>13</sup> Petition, Proposal Seven at 1-2.

Under the current methodology, the IOCS is used to estimate work time for supervisors. The IOCS is a three-stage probability sample of employee work time, stratified by employee craft groups, and office Cost Ascertainment Groups (CAGs).<sup>14</sup> The IOCS samples at the workweek level and identifies the number of supervisors scheduled for observation, in part based on the proportion of supervisors scheduled for

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<sup>8</sup> Comments of the Public Representative, September 26, 2019 (PR Comments).

<sup>9</sup> Chairman's Information Request No. 2, October 11, 2019 (CHIR No. 2).

<sup>10</sup> Responses of the United States Postal Service to Questions 1-6 of Chairman's Information Request No. 2, October 18, 2019 (Response to CHIR No. 2).

<sup>11</sup> Chairman's Information Request No. 3, November 25, 2019 (CHIR No. 3).

<sup>12</sup> Responses of the United States Postal Service to Questions 1-3 of Chairman's Information Request No. 3, December 3, 2019 (Response to CHIR No. 3).

<sup>13</sup> The "Supervisor" group includes professional, administrative, and technical staff. Docket No. ACR2018, Library Reference USPS-FY18-37, PDF file "USPS-FY18-37.PREFACE.pdf," at 3 n.3.

<sup>14</sup> Office CAG-level is used to categorize post offices by size based on revenue. See Publication 32 – Glossary of Postal Terms at 50, available at: <https://about.usps.com/publications/pub32.pdf>. The first-stage of selection is the office (by office CAG group), the second-stage of selection is the employee week, and the third stage of selection is the instant of time within the selected week, for which the employee is scheduled for observation. See Docket ACR2018, Library Reference USPS-FY18-37, PDF file a"USPS-FY18-37.PREFACE.pdf," at 3-6.

Monday through Friday, Saturday, and Sunday in offices of that CAG group type.<sup>15</sup>

As explained, the IOCS samples supervisors Monday through Sunday (including days that are holidays).<sup>16</sup> If an employee scheduled for observation is on unscheduled leave, at lunch, left the agency, is working at another office, or was called in to work when not scheduled, an IOCS reading is not obtained and costs are not distributed for that employee, for that week portion in those types of offices sampled.<sup>17</sup> In a previous docket, the Postal Service noted that there is a delay in administrative processing for new employees. See Docket No. RM2017-9, Proposal Five at 2-3. If many of the new City Carrier Assistants (CCAs) acting as supervisors are scheduled on Sundays (and leave after a short time), they may not be identified for sample selection. *Id.*

For this reason, IOCS changes made for Sundays and holidays impact the overall methodology used to distribute total supervisor costs for offices in each CAG/finance group.<sup>18</sup> Additionally, the IOCS sample design and cost weighting methodology does not distinguish between career supervisors or city carriers and CCAs

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<sup>15</sup> There are associated sample design weights for the days and time during the week intended to reflect the portion of time during the week supervisors are working on those days and times in the sampled offices. The IOCS cost weighting factor (applied only to the completed readings) is derived from the IOCS sample design weights and national level accrued quarterly cost data for the craft in those offices in that CAG/finance group. The IOCS cost weighting factor is constructed so that the weighted sums of IOCS data produce cost estimates consistent with trial balance accrued costs by quarter. See Docket No. ACR2018, Library Reference USPS-FY18-37, PDF file "USPS-FY18-37.PREFACE.pdf," at 5-7.

<sup>16</sup> See Docket No. ACR2018, Library Reference USPS-FY18-37, PDF file "USPS-FY18-37.PREFACE.pdf," at 4-6. The day of the week within the week sampled is weighted specific to Sunday/day of the week as part of the sample design weight. *Id.* at 5-6.

<sup>17</sup> See Petition, Proposal Seven at 3-4; Docket No. ACR2018, Library Reference USPS-FY18-37, PDF file "USPS-FY18-37.PREFACE.pdf," at 5; Docket No. RM2017-9, Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles, June 30, 2017 (Docket No. RM2017-9 Petition). The proposal is attached to the Petition (Docket No. RM2017-9, Proposal Five). Docket No. RM2017-9, Proposal Five at 2-3.

<sup>18</sup> The IOCS sample design and cost weighting method is generally done at the CAG/finance group of the sampled supervisors assigned (or reassigned) office CAG/finance group.

who are “acting as a supervisor,” despite the fact that supervisors and city carriers earn a higher wage.<sup>19</sup>

*Proposal.* The Postal Service intends to use TACS workhours to determine the share of costs for supervisors at customer service offices on Sundays and holidays, and then distribute these costs to products using the same PTR distribution key used for city carriers delivering packages on Sundays and holidays. Petition, Proposal Seven at 2. Proposal Seven also wage-adjusts the number of total workhours downward for CCAs to compensate for the differences in wages between CCAs “acting as supervisors” and other supervisors.<sup>20</sup>

The proposal then uses the share of wage-adjusted workhours clocked to corresponding supervisor activities to calculate the Sunday/holiday share of the total costs for supervisors at customer service offices. Petition, Proposal Seven at 2. This workhour proportion is applied directly to the total accounting costs associated with supervisor positions. *Id.*

The remaining wage-adjusted supervisor workhours will be aggregated and adjusted proportionally to the share of non-Sunday/holiday supervisor wage-adjusted workhours.<sup>21</sup> For these workhours, the TACS developed supervisor costs for non-holiday, Mondays-through-Saturdays will be used as IOCS systemwide adjustment

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<sup>19</sup> In the IOCS, “[i]f a carrier is acting as a supervisor, the IOCS data collector will record the employee as a supervisor rather than carrier.” See Docket No. RM2018-5, Responses of the United States Postal Service to Questions 1-11 of Chairman’s Information Request No. 3, July 23, 2018, question 10 a.-b. (Docket No. RM2018-5, Response to CHIR No. 3).

<sup>20</sup> CCAs do not receive higher-level pay for higher-level detail assignments, unlike career carriers. Petition, Proposal Seven at 2 n.4. The reduction in supervisor cost to account for or correct the IOCS apportioning the same supervisor cost weight regardless of the salary differences, under the Proposal Seven methodology, is calculated by using the average wage rate (ratio) of CCAs to supervisors to reduce the number of CCA workhours in the proportion applied to total supervisor costs. *Id.*

<sup>21</sup> *Id.* The adjusted IOCS will still be used to estimate supervisors costs on non-holidays, Monday-through-Saturday weekdays. The “adjusted proportionally” description relates to the initially proposed IOCS adjustment factor that uses wage-adjusted TACS workhours of all offices to total supervisor cost (TACS workhours and accounting systems supervisor costs not specific to offices in the IOCS CAG/finance group). The Proposal Seven methodology creates a quarterly systemwide IOCS adjustment factor rather than an office CAG/finance group adjustment factor.

factors for the estimated supervisor costs for those days. Response to CHIR No. 2, question 1.b.-1.c.

As a result of Proposal Seven, the Postal Service will only use TACS data to derive the portion of the accounting systems' accrued total supervisors cost for supervisor costs on Sundays and holidays at customer service offices. The Postal Service will continue to use IOCS sampling on other days for customer service offices and on all days for other types of offices, such as plants.<sup>22</sup>

The Postal Service plans to stop sampling city carriers on Sundays because it contends that "the only useful data extracted by IOCS sampling of carriers on Sundays and Holidays are for carriers acting as supervisors."<sup>23</sup> The Postal Service states that Proposal Seven would allow it to redistribute these readings "to the other days of the week when more useful data can be obtained." Petition, Proposal Seven at 3.

*Rationale and Impact.* The Postal Service states that using TACS clock ring data<sup>24</sup> "provides a more robust estimate of supervisor costs compared to current IOCS sampling, given that CCAs are often acting as supervisors on [Sundays and holidays]." *Id.* Further, it contends that "carriers assigned to supervisor activities may be under-sampled" and "supervisors working on Sunday may be under-sampled because of

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<sup>22</sup> In the Postal Service's ACR filing, it will include a quarterly record in its ACR IOCS SAS data set indicating the value of the supervisor Sunday/holiday cost total at customer service offices indicated by the IOCS activity code 7720. Petition, Proposal Seven at 2. Note that this proposal does not appear to have a noticeable impact or apparent change for supervisors costs on Sundays and holidays for offices considered plants in the IOCS.

<sup>23</sup> *Id.* The Petition is not explicit in this regard, but it appears that the Postal Service also plans to stop sampling career supervisors as well as city carriers on Sundays and holidays at customer service offices given the modifications made to the FY 2018 IOCS SAS dataset with the Proposal Seven methodology implemented, *i.e.*, supervisors designated as supervisors in the payroll system IOCS readings were recoded to the IOCS activity code 7720 as well as those FY 2018 readings for carriers "acting as supervisors." Commission Analysis of the Proposal Seven SAS dataset. See Library Reference USPS-RM2019-12/1, folder "Prop.7.Public.Fldr.1.Files.zip," folder "Filing\_Final," folder "Data," SAS dataset "PRCPub18CS.sas7bdat." The majority of IOCS supervisor Sunday/holiday readings at customer service offices are designated as a supervisor in the payroll system, not as a carrier "acting as a supervisor" at the time of the IOCS reading. See Docket No. RM2018-5, Response of the United of the United States Postal Service to Question 14 of Chairman's Information Request No. 4, September 7, 2018, question 14.d.

<sup>24</sup> Clock rings are recorded when employees clock into or out of a work activity.

atypical scheduling.” *Id.* at 4. The Postal Service concludes that using census data from TACS “would eliminate the potential source of bias.” *Id.*

Proposal Seven shifts \$35.3 million into costs for supervisors working on Sundays and holidays at customer service offices from the non-holiday, Monday-through-Saturday IOCS estimated costs for supervisors at customer service offices. *Id.* at 5. The Proposal Seven methodology calculates a total of \$57.3 million in Fiscal Year 2018 (FY 2018) costs for supervisors working at customer service offices on Sundays and holidays. See Petition, Proposal Seven at 6-9. The impact of Proposal Seven on FY 2018 total domestic market dominant attributable costs is a decrease of \$21.0 million, an increase of \$50.0 million in total domestic competitive attributable costs, and a decrease of \$0.6 million in total international attributable costs for a net increase in overall attributable costs of \$28.4 million.<sup>25</sup>

#### IV. COMMENTS

The Commission received comments from the Public Representative on September 26, 2019. No other interested party filed comments. The Public Representative agrees that operational data such as TACS “should avoid administrative delays and problems with small samples associated with IOCS” and concludes that the results of Proposal Seven when implemented “conform to expected results.” PR Comments at 8-9. For those reasons, he “recommends that the Commission adopt Proposal Seven.” *Id.* at 11.

#### V. COMMISSION ANALYSIS

The Commission accepts the Postal Service’s general reasoning and use of TACS workhours, rather than the IOCS, to develop Sunday/holiday costs for supervisors at customer service offices. The Commission concurs with the Postal

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<sup>25</sup> Library Reference USPS-RM2019-12/1, August 23, 2019, Excel file “PublicCostImpactCarrierSupervisors.xlsx,” tab “Cost Segment 2 Impact.”

Service that census data from TACS appears to represent a “more comprehensive” data source than sampling data from the IOCS for identifying total supervisor costs on Sundays and holidays.<sup>26</sup> As the Postal Service notes, “there are practical challenges in implementing the IOCS sample that may lead to systematic errors in the IOCS-based estimates.” *Id.* at 3.

Under the IOCS sample-design, the assumption is that a nonresponse for sampled employees “is random, or independent of what is being estimated.”<sup>27</sup> The Postal Service states that the IOCS is “under-sampling” supervisors working at customer service offices on Sundays and holidays. Petition, Proposal Seven at 4. To correct this, the Proposal Seven methodology reduces the Monday-Saturday workweek cost portion estimated by the IOCS. See Petition, Proposal Seven at 5. Given the IOCS samples at the workweek level, an adjustment to the IOCS non-Sunday days of the week generally seems reasonable as well.<sup>28</sup> The Proposal Seven methodology appears to achieve its stated purpose to correct for IOCS “under-sampling” on Sundays and holidays by increasing FY 2018 supervisor Sunday/holiday costs by an amount of \$35.3 million over that estimated by the current IOCS methodology for supervisors working at customer service offices on Sundays and holidays.<sup>29</sup> The Commission supports the Postal Service’s attempts to incorporate census data from its systems to improve or adjust its cost estimates and replace or modify an element or elements of

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<sup>26</sup> Petition, Proposal Seven at 1. The Postal Service provides what it describes as evidence “signaling under-sampling throughout the year” in Table 1. *Id.* at 4-5. Table 1 shows that the Proposal Seven methodology shifts \$35.3 million dollars from FY 2018 total supervisor costs into the Sunday/holiday total and reduces the non-holiday, Monday-through-Saturday supervisor costs total by the same amount. *Id.* at 5.

<sup>27</sup> Docket No. ACR2018, Library Reference USPS-FY18-37, PDF file “USPS-FY18-37.PREFACE.pdf,” at 7.

<sup>28</sup> Docket No. R2006-1, Library Reference USPS-LR-L-9, May 3, 2006, folder “Rev\_7-10-06\_USPS-LR-9.zip,” folder “LR9Document,” PDF file “USPS-LR-L-9\_R2006-1\_IOCS.pdf” at 9, 16; Docket No. ACR2018, Library Reference USPS-FY18-37, PDF file “USPS-FY18-37.PREFACE.pdf,” at 4.

<sup>29</sup> Petition, Proposal Seven at 5. The fiscal year quarter most impacted by Proposal Seven is the first quarter covering the holiday season when there may be a higher number of employee status and/or schedule changes which would increase the likelihood for “under-sampling.” See *id.*



the IOCS sample where it believes there is “under-sampling” or plausible indicators of potential bias.<sup>30</sup>

Furthermore, the Commission accepts the use of the PTR scan data to allocate Sunday/holiday supervisor costs at customer service offices to products. The Postal Service avers that “carriers and other supervised employees are generally working on parcels to be delivered on those Sundays and holidays.” *Id.* at 3. The Commission agrees that a product distribution key specific to Sundays and holidays is likely to be more accurate.<sup>31</sup>

However, the Commission is concerned that the Postal Service intends to use a systemwide IOCS adjustment factor to wage-adjust workhours for the IOCS estimated non-holiday, Monday-through-Saturday supervisor costs at customer service offices. Because the IOCS samples and distributes costs at the office CAG/finance group level, a systemwide adjustment factor to correct for “under-sampling” or other future potential biases related to sampling may not be appropriate. The IOCS sample design considers a number of factors specific to the offices in each CAG, such as the number of employees scheduled for each portion of the workweek.<sup>32</sup> A correction or adjustment for future sampling issues would appear, in general, to be more accurate if applied at that level.

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<sup>30</sup> Under the current IOCS methodology, the Postal Service’s term “under-sampling” would presumably mean that fewer readings were obtained (given the number of supervisors actually working) on Sundays and holidays at customer service offices and as a result, too low of an amount of the total supervisor costs for offices in that CAG/finance group were assigned for the Sunday/holiday portion of the workweek. If Sundays in the workweek are “under-sampled,” then supervisor costs on Sundays at customer service offices would presumably also be “under identified” and under estimated using the IOCS alone.

<sup>31</sup> Under the current methodology, the supervision of city delivery carriers’ costs on Sundays and holidays is combined with Monday through Saturday costs. See Docket No. ACR2018, Library Reference USPS-FY18-32, December 28, 2018, folder “B Workpapers,” Excel file “CS02-Public-FY18.xlsx,” tab “2.0.4,” column “D.”

<sup>32</sup> There may be large differences in the number and type of employees based on the office size/CAG group. See Docket No. ACR2017, Responses of the United States Postal Service to Questions 1-16 of Chairman’s Information Request No. 21, March 5, 2018, question 14 (Docket No. ACR2017, Response to CHIR No. 21).

The Postal Service states that Proposal Seven's objective is "to reflect changes to the methodology for city carriers" on Sundays and holidays made in Docket No. RM2018-5.<sup>33</sup> In that docket, the Commission approved the use of TACS workhours, rather than the IOCS, to develop city carrier Sunday/holiday costs. The Postal Service was also attempting to correct for sampling challenges on Sundays in the IOCS that were resulting in "under-sampling."<sup>34</sup> As in Docket No. RM2018-5, the Commission also considers a modified version of Proposal Seven that uses the TACS workhours by office CAG/finance group, adjusted to align with the IOCS sampling design at the office CAG group level.

The Postal Service contends that "there is not much benefit to doing CAG specific adjustments" because "no one CAG's adjustment factor is more than 3.1 percent different than the average system-wide adjustment factor on a quarterly basis." Response to CHIR No. 2, question 1.b.i. The Postal Service also contends that, in smaller CAGs, "the TACS hours and accounting dollars are not as clearly aligned as they are in larger CAGs."<sup>35</sup> The Postal Service explained in its Response to CHIR No. 3

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<sup>33</sup> Petition, Proposal Seven at 1. However, the Commission found that for the component of the proposal that adjusts supervisor costs for city carriers acting as supervisors, the information overall was not persuasive to determine that this revised methodology component improved the accuracy, completeness, or quality of the data over the current methodology. See Order No. 4972 at 27-29.

<sup>34</sup> In Order 4972, the TACS workhours and accrued accounting systems costs for Sundays and holidays are calculated at the office/CAG group level and the non-holiday, Monday-through-Saturday IOCS estimated city carriers costs are adjusted using the TACS workhours specific to the offices in those CAG/finance groups. This is described in Docket No. ACR2018, Library Reference USPS-FY18-37, PDF file "USPS-FY18-37.PREFACE.pdf," at 1, 7-8. The SAS program that creates the TACS adjustment factors for city carriers is included in Docket No. ACR2018, Library Reference USPS-FY18-37, folder "USPS-FY18-37.IOCS.zip," folder "SASPrograms," file "ALB104." The section of code within the "ALB104" file labeled "/\*Merge TACS and POEXP Totals\*/" joins the TACS workhours and accounting costs (as they align according to the IOCS office CAG group alignment) for the city carrier craft groups to create the "TACSCostControlNum" that is used to adjust the IOCS estimates of offices in that CAG group.

<sup>35</sup> *Id.* The Postal Service stated that systemwide IOCS adjustment factors for city carrier costs would not "materially improve the alignment of costs compared to the CAG-specific adjustment factors, provided that all data required for the latter (labor costs, workhours and IOCS readings) are aligned by CAG correctly...." Docket No. ACR2018, Responses of the United States Postal Service to Questions 1-5 of Chairman's Information Request No. 22, March 13, 2019, question 4.a. (Docket No. ACR2018, Response to CHIR No. 22). In that docket, the Postal Service aligned TACS workhours with labor costs by assigning the CAG group TACS workhours in the same way traditionally done for costs. Docket No. ACR2018, Response to CHIR No. 22, question 4.b.

that the reason for the lack of alignment is that a larger proportion of small offices use paper timecards to record workhours, rather than electronic badge readers.<sup>36</sup> However, the Commission is concerned that, if it were to approve a systemwide adjustment factor as initially proposed, in the future the costs for specific CAGs could deviate more or less than the average systemwide difference due to sampling issues.

In evaluating proposed changes to analytical principles applied in periodic reports, the Commission must determine whether a proposal improves the quality, accuracy, or completeness of the data or its resulting analysis. 39 U.S.C. § 3654(e); 39 C.F.R. § 3050.11(a). The Commission finds that the modified version of Proposal Seven satisfies this standard.

The Commission acknowledges that the current CAG-specific adjustment factors do not deviate substantially from the Postal Service's proposed systemwide adjustment factor.<sup>37</sup> However, the modified adjustment factors mitigate the risk that the CAG-specific deviations could occur over time. Furthermore, the modified proposal is more consistent with the office CAG group level focus taken for Sunday/holiday city carrier costs in Docket No. RM2018-5.

As such, the Commission approves a modified version of Proposal Seven that uses the TACS workhours by office CAG/finance group that aligns with the IOCS CAG assignments for Sundays and holidays and the non-holiday, Monday-through-Saturday supervisors costs at customer service offices.<sup>38</sup> The modified proposal will increase the

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<sup>36</sup> Response to CHIR No. 3, question 1.a. The Postal Service states that “[t]he degree of misalignment of TACS workhours with accounting dollars appears to be greatest in the CAG H group, which includes CAGs J, K and L. There may be some misalignment in CAG G, and possibly also in larger CAGs, although to a lesser extent.” *Id.*, question 1.b. See Docket No. ACR2017, Response to CHIR No. 21, question 14 a.-c.

<sup>37</sup> See Response to CHIR No. 2, question 1.a., 1.c., Excel file “Prop7.ChIR2Resp.Q1c.xlsx;” 2, Excel file “Prop7.ChIR2Resp.Q2.xlsx.”

<sup>38</sup> For IOCS offices in smaller CAGs, where the Postal Service states that “TACS hours and accounting dollars may not align,” if this misalignment materially impacts cost, the Postal Service may combine office CAG/groups and explain the reasons and specify which supervisor office CAG groups were combined in its ACR filing. See Response to CHIR No. 2, question 1.b.i.

accuracy and completeness of the data used to distribute Sunday/holiday supervisor costs at customer service offices, pursuant to 39 C.F.R. § 3050.11(a).

VI. ORDERING PARAGRAPH

*It is ordered:*

For purposes of periodic reporting to the Commission, the changes in analytical principles proposed by the Postal Service in Proposal Seven, as modified by the Commission, are approved.

By the Commission.

Ruth Ann Abrams  
Acting Secretary