

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

Before Commissioners:

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

Periodic Reporting
(Proposal Four)

Docket No. RM2022-10

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

(Issued July 13, 2022)

I. INTRODUCTION

On July 11, 2022, the Postal Service filed a petition pursuant to 39 CFR 3050.11 requesting that the Commission initiate a rulemaking proceeding to consider changes to analytical principles relating to periodic reports.¹ The Petition identifies the proposed analytical 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), July 11, 2022 (Petition). The Postal Service also filed a notice of filing of non-public materials relating to Proposal Four. Notice of Filing of USPS-RM2022-10-NP1 and Application for Nonpublic Treatment, July 11, 2022.

II. PROPOSAL FOUR

Proposal. The Postal Service proposes the following five changes to improve and streamline the International Cost and Revenue Analysis (ICRA) model: (1) using Outbound International Service Agreement (negotiated service agreement, referred to as NSA) System for International Revenue and Volume, Outbound (SIRVO) data to attribute outbound settlement expenses and international transportation expenses to NSA products; (2) adding all countries to the outbound piece of the ICRA database and eliminating the 999X countries; (3) using the Settlement Workbooks file as the source for outbound settlement calculations instead of manually entering rates; (4) removing obsolete sections of the ICRA model identified in the Response to CHIR No. 14, Questions 3-4;² (5) replacing International Accounting Branch (IAB) country numbers with International Organization for Standardization (ISO) codes. See Petition, Proposal Four at 1-3.

Rationale. The Postal Service states that the first proposed change would add a second aggregation step solely for NSA products in order to weight the various NSA product rate groups more accurately and improve the ICRA cost estimates for both NSA and non-NSA products. See *id.* at 3. The Postal Service states the other four proposed changes would take advantage of additional data sources available to the ICRA, eliminate sections that are no longer used or serve no purpose, and streamline the ICRA model. See *id.* at 3-4.

Impact. The Postal Service states that non-public materials filed as part of Library Reference USPS-RM2022-10-NP1 accompanying this proposal show the impact of the proposed changes. See *id.* at 4. The Postal Service maintains these materials show a net impact of zero on total costs of market dominant and competitive products. See *id.* at 5. For the proposed change on the cost attribution of NSA products, the Postal Service states that for FY 2021, the proposal would not have caused any positive

² Docket No. ACR2021, Responses of the United States Postal Service to Questions 1-6 of Chairman's Information Request, No. 14, February 18, 2022, questions 3-4 (Response to CHIR No. 14).

contribution products to turn negative or any negative products to turn positive, there would have been no impact on Inbound NSAs, and all Outbound NSAs would have remained positive. *See id.*

Mechanics. The Postal Service details a list of changes, adjustments, and eliminations that would be made to various files by the proposal. *See id.* at 5-14.

III. NOTICE AND COMMENT

The Commission establishes Docket No. RM2022-10 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 31, 2022. Pursuant to 39 U.S.C. 505, Samuel Koroma is designated as an 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. RM2022-10 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 July 11, 2022.
2. Comments by interested persons in this proceeding are due no later than August 31, 2022.
3. Pursuant to 39 U.S.C. 505, the Commission appoints Samuel Koroma 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.

Erica A. Barker
Secretary