

ORDER NO. 1367

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

Before Commissioners:

George Omas, Chairman;
Dana B. Covington, Sr., Vice Chairman;
Ruth Y. Goldway; and Tony Hammond

Periodic Reporting

Docket No. RM2003-3

ORDER GRANTING POSTAL SERVICE REQUEST
TO EXTEND THE DATE FOR COMMENTS

(Issued April 8, 2003)

On January 8, 2003, the Commission issued Order No. 1358, a Notice of Proposed Rulemaking soliciting comments on proposed changes to the Commission's rule establishing periodic reporting requirements [39 CFR § 3001.102]. In its initial comments on the Notice of Proposed Rulemaking, the Postal Service indicated that it believed that an informal technical conference clarifying the objectives of these proposals and examining the potential burdens of complying with them would be beneficial. Order No. 1361 scheduled such a conference for Tuesday, March 11, 2003, and posted a list of items on its website that the Postal Service proposed to discuss at the conference. It deferred the date for filing the Postal Service's formal comments and for the public to file reply comments pending the results of the technical conference.

At the technical conference, Commission staff responded to the list of concerns enumerated in the Postal Service's list. Order No. 1363, issued March 14, 2003, gave the Postal Service until April 3, 2003, to file a second set of comments on the proposed revisions that reflected the results of the conference.

On April 2, 2003, the Commission received a Motion of United States Postal Service for Extension of Time to File Comments. This pleading cited a number of reasons for extending the period for filing its second set of comments to May 9, 2003. Among them were the assertions that the Commission's proposed revisions "could have significant implications" for the respective roles of the Postal Service and the Commission, protecting the confidentiality of sensitive business information, and the burden on Postal Service staff of providing the requested documentation. Motion at 2. In asking for an additional five weeks to formulate its comments, the Postal Service states that "it is aware of no circumstances that would compel more rapid consideration of the issues in this docket." *Id.*

The Postal Service's request for an extension of this considerable length is somewhat unexpected. However, the Postal Service should be allowed to fully explain its concerns that these proposed revisions to the periodic reporting rule might significantly effect relative agency roles, confidentiality policy, or staff burdens. The vast majority of the supporting documentation that the revised rules would require is material that the Postal Service must routinely prepare anyway, in order to produce the reports that are currently provided under the rule. For this reason, the Commission is optimistic it can obtain this basic supporting material for the CRA and various accounting system reports without adding significantly to the demands that the rule places on the Postal Service's staff or raising other significant policy issues.

In its motion, the Postal Service states that it is aware of no circumstances that would compel more rapid consideration of the merits of these proposed revisions to the rule. The Commission began this effort to obtain more effective documentation of the reports provided under the periodic reporting rule in early January of this year. It did so with the hope that the revised rule would be adopted in time to apply to the FY 2002 CRA. Extending the due date for Postal Service comments to May 9, 2003, as the Postal Service requests, would require extending the due date for replies to those comments as well. Since the Postal Service typically releases the CRA in late Spring of

each year, it would be unlikely that the revised rule could be adopted in time to apply to documentation of the FY 2002 CRA.

The supporting material identified in the revised rule makes it possible to analyze the summary cost, volume, and revenue figures contained in the CRA. Including this material with the FY 2002 CRA would allow the Commission and the public to analyze the Postal Service's performance since FY 2000, the base year in the most recent omnibus rate case. Having reasonably contemporaneous data available to evaluate the Postal Service's operating performance between omnibus rate cases is especially important now, in view of the Postal Service's expressed desire to avoid increasing rates until 2006. Among other things, including supporting material for the FY 2002 CRA would facilitate the granting of waivers of the Commission's documentation rules, should the Postal Service request it in cases filed prior to the next omnibus rate case. While the benefits of providing underlying documentation for the FY 2002 CRA and other contemporaneous financial reports may not be "compelling," they are important, nonetheless.

The Commission will reluctantly grant the Postal Service's motion to extend the due date for its second set of comments to May 9, 2003, even though doing so involves a distinct risk that these documentation standards will not be implemented in time to apply to the FY 2002 CRA. Notwithstanding, the Commission hopes that a way can be found to make the basic supporting documentation for the FY 2002 CRA publicly available.

It is ordered:

1. The due date for the Postal Service's second set of comments addressing the Notice of Proposed Rulemaking that was issued in this docket on January 8, 2003, will be extended to May 9, 2003.
2. The public will have until May 23, 2003, to file reply comments.

By the Commission
(SEAL)

Steven W. Williams
Secretary