

**BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C.. 20268-0001**

**BEFORE COMMISSIONERS:**

**Petition for Review of Unclassified Services**

**Docket No. \*2003**

**FURTHER COMMENTS OF POSTCOM**

The Association for Postal Commerce (PostCom) submits these further comments in response to the Commission's invitation to do so in Order No. 1364.

The Report on Nonpostal Initiatives filed by the Postal Service in this docket changes not at all PostCom's initial assessment of the wisdom of inaugurating a proceeding to examine accounting and reporting conventions that could productively be applied to the Postal Service's unregulated offerings. PostCom continues to think that "...it is worth at least a hard look by the Commission to examine the feasibility of establishing accounting standards for services offered by the Postal Service outside of the Commission's rate recommending powers." The Report on Nonpostal Initiatives reinforces this conclusion. One of the measures that the Postal Service employs for reviewing its unregulated services is profit and loss statements. Report on Nonpostal

Initiatives at 4. Of course, the utility of a P&L statement is only as great as the accounting underpinning it is suited to its task. Moreover, a P&L no part of which is ever made public does not serve either financial transparency or accountability.

PostCom is fully in favor of “try[ing] new things, spread[ing] risk, stimulat[ing] innovation, and hav[ing] flexible access to marketplace skills through partnerships”, Report on Nonpostal Initiatives at 10. Properly tailored accounting and reporting practices are entirely consistent with these objectives. The Commission should study how the Postal Service accounts for the cost of and revenues from unregulated services with an eye to determining whether suitable accounting and reporting conventions should be applied.

Respectfully submitted,

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