

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

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Tony L. Hammond, Vice Chairman;  
Mark Acton;  
Dan G. Blair; and  
Nanci E. Langley

Modification of Analytical Principles  
in Periodic Reporting  
(Proposal Thirty)

Docket No. RM2010-7

Comments of the Public Representative in Response to Order No. 372

(January 8, 2010)

I. Background

In this docket, the Postal Service requests a modification of Analytic Principles for the volumes used in the Parcel Select cost models. A Commission Order stated that public comments were due by January 8, 2010 and appointed the undersigned Public Representative.<sup>1</sup> The Postal Service Petition<sup>2</sup> states that this modification is necessitated by a “mid-year classification change [that] caused an aggregation in the Quarter 4 billing determinants of a breakout necessary for the cost models.”<sup>3</sup> In Quarters 1-3 of FY09, Parcel Select contained Inter-BMC and Intra-BMC price categories. In Quarter 4 of FY09, these categories were aggregated to a “Non-Presort” Price Category. In evaluating the compliance of Parcel Select with the PAEA, the Commission needs data on the rate categories in effect during the year under review. This proposal will allow the Commission to analyze the compliance of Parcel Select in FY09.

II. Proposal

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<sup>1</sup> Notice of Proposed Rulemaking on Analytical Principles Used in Periodic Reporting (Proposal Thirty) (Issued December 28, 2009).

<sup>2</sup> Petition of the United States Postal Service Requesting Initiation of a Proceeding to Consider a Proposed Change in Analytic Principles (Proposal Thirty), December 22, 2009 (Petition).

<sup>3</sup> Petition at 1.

The Postal Service proposes to reapportion Quarter 4 “Non-Presort” billing determinants into Inter-BMC and Intra-BMC billing determinants in three steps. Step one is to assign Quarter 4 “Barcoded Non-Presort” Zones 6-8 volume to Inter-BMC. Step two is to distribute Quarter 4 “Barcoded Non-Presort” Zones 1-5 volume to Inter-BMC and Intra-BMC on the basis of Quarters 1-3 Inter-BMC and Intra-BMC volume as a percent of total Inter-BMC and Intra-BMC volume. Step three is to assign OBMC Presort and BMC Presort to the Inter-BMC price category.

### III. Analysis

The Postal Service states that the “adjustment proposed is straightforward and intuitive.”<sup>4</sup> The Public Representative agrees. The distribution of “Non-Presort” volume as proposed aligns with the pricing options available during Quarters 1-3 of FY09.

### IV. Conclusion

The Public Representative encourages the Commission to approve the implementation of Proposal 30. However, to ensure that the methodology proposed is correctly implemented, it may be valuable to the Commission and interested parties for the Postal Service to include the calculation of the adjustment in the documents filed in the ACR2009.

Respectfully submitted,

/s/ John P. Klingenberg

John P. Klingenberg  
Public Representative

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<sup>4</sup> Petition at 2.