

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 One FY2010)

Docket No. RM2010-8

NOTICE OF PROPOSED RULEMAKING ON ANALYTICAL  
PRINCIPLES USED IN PERIODIC REPORTING  
(PROPOSAL ONE FY2010)

(Issued February 12, 2010)

I. BACKGROUND

On February 9, 2010, the Postal Service filed a petition to initiate an informal rulemaking proceeding to consider a change in the analytical methods approved for use in periodic reporting.<sup>1</sup> The Postal Service labels its proposal "Proposal One" because it intends that it relate to the FY 2010 rather than the FY 2009 compliance reporting cycle. Proposal One seeks authorization from the Commission to immediately eliminate the rail portion of the Transportation Cost System (TRACS) sampling, and proposes instead to distribute rail costs using the Inter-BMC highway distribution factors.

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<sup>1</sup> Petition of the United States Postal Service Requesting Initiation of a Proceeding to Consider a Proposed Change in Analytic Principles (Proposal One), February 9, 2010 (Petition).

The Postal Service states that as part of a realignment of its transportation and distribution systems, it is shifting much of its transportation needs from rail to truck. Because rail costs are rapidly dwindling, it proposes to eliminate TRACS rail sampling, and to use the TRACS inter-BMC distribution key in place of the Rail distribution key in Cost Segment 14. Table 1 of the supporting material accompanying the Petition (Proposal One) shows that Freight Rail and Rail Plant Load costs are expected to decline by 75 percent from FY 2009 to FY 2010, when they will amount to less than \$15 million. *Id.*, Proposal One, at 1. Table 2 shows that substituting the inter-BMC distribution key for the Rail distribution key in FY 2009 would have had a small impact on the share of Segment 14 costs borne by each market dominant product. *Id.* at 2. The Postal Service comments that the impact will be *de minimis* in FY 2010 when Rail costs will make up a much smaller share of Segment 14 costs. The Postal Service states its desire to make the change before Quarter 3 of FY 2010 makes more efficient use of its data collection resources. *Id.*

## II. PROCEDURAL MATTERS

The Commission sets February 24, 2010 as the due date for public comments. The Commission will determine the need for reply comments after reviewing the initial comments received.

Kenneth Moeller is designated as the Public Representative to represent the interests of the general public in this proceeding.

### III. ORDERING PARAGRAPHS

*It is ordered:*

1. The Petition of the United States Postal Service Requesting Initiation of a Proceeding to Consider a Proposed Change in Analytic Principles (Proposal One), filed February 9, 2010, is granted.
2. The Commission establishes Docket No. RM2010-8 to consider the matters raised in the Postal Service's Petition.
3. Interested persons may submit comments on Proposal One no later than February 24, 2010.
4. Pursuant to 39 U.S.C. 505, Kenneth Moeller is designated to serve as the Public Representative representing the interests of the general public.
5. The Secretary shall arrange for publication of this Notice in the *Federal Register*.

By the Commission.

Shoshana M. Grove  
Secretary