

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
Used in Periodic Reporting

Docket No. RM2010-10

NOTICE OF PROPOSED RULEMAKING CONSIDERING CHANGES TO
ANALYTICAL PRINCIPLES USED IN PERIODIC REPORTING

(Issued June 30, 2010)

On June 25, 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.¹ The Postal Service's proposal is in two parts. Proposal Two-A proposes to reduce the size of the sample that it uses to collect Origin-Destination Information System/Revenue Pieces and Weight (ODIS/RPW) data by 20 percent. *Id.* at 3. In effect, Proposal Two-A asks that the Commission's decision in Order

¹ Petition of the United States Postal Service Requesting Initiation of a Proceeding to Consider Proposed Changes in Analytic Principles (Proposal Two), June 25, 2010 (Petition).

No. 396² not to approve an identical proposal submitted by the Postal Service in June of 2009 be reconsidered.

The second part of Proposal Two is presented as Proposal Two-B. It proposes to divert 10 percent of the sample tests conducted under the current ODIS-RPW sample size to a special study utilizing an alternative sample frame. The alternative sample frame that the Postal Service proposes to test in Proposal Two-B would define a sample frame unit as a “delivery unit.” According to the Postal Service, delivery units would include “city and rural carriers, box sections, and firms.” Petition, Attachment Proposal Two-B, at 1.

Currently, ODIS-RPW sample frame units are Mail Exit Points (MEPs), which the Postal Service defines as a letter, flat, or parcel mail stream in a post office, station, branch or associate office. When sampling MEPs, the data collector samples Delivery Point Sequence (DPS) sorted letter trays after they arrive at the delivery unit from the processing plant and before they are dispatched to carriers. The Postal Service asserts that this interval is becoming too short to provide an adequate opportunity for the data collector to take a probabilistic sample of trays and record their contents. Another drawback of using MEPs as the sample frame unit, according to the Postal Service, is that the data collector cannot determine whether a tray is destined for a carrier, a firm hold-out, or the box unit. Since its 5-day delivery proposal does not envision delivering carrier mail on Saturday, a data collector working on Saturdays would need to be able to distinguish between trays destined for carriers from those destined for firm hold-outs and box sections. The Postal Service asserts that defining the “delivery unit as the ODIS-RPW frame and sample unit” would ameliorate both problems. *Id.*

The Postal Service explains that if the Commission were to approve Proposals Two-A and Two-B as a package, current total ODIS-RPW tests would be reduced by 10 percent and another 10 percent would be reallocated to study the alternative. If the Commission were to approve only Proposal Two-B, total tests would not be reduced,

² Docket No. RM2009-5, Order Concerning Principles for Periodic Reporting (Proposal One), January 21, 2010 (Order No. 396).

but 10 percent would be reallocated to studying the alternative. Petition at 1-4. If the Commission were to decline to approve either, ODIS-RPW data would continue to be collected at the current sample size.

The attachments to the Postal Service's petition explain its proposals in more detail, including their backgrounds, objectives, and rationale.

It is ordered:

1. The Petition of the United States Postal Service Requesting Initiation of a Proceeding to Consider Proposed Changes in Analytic Principles (Proposal Two), filed June 25, 2010, is granted.
2. The Commission establishes Docket No. RM2010-10 to consider the matters raised by the Postal Service's Petition.
3. Interested persons may submit comments on or before August 16, 2010.
4. Pursuant to 39 U.S.C. 505, Diane Monaco is designated to serve as the Public Representative to represent the interests of the general public in this proceeding.
5. The Secretary shall arrange for publication of this Notice in the *Federal Register*.

By the Commission.

Shoshana M. Grove
Secretary