

ORDER NO. 599

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 (Proposals Three through Nineteen)

Docket No. RM2009-10

ORDER GRANTING REQUEST TO DELAY IMPLEMENTATION

(Issued November 30, 2010)

In Order No. 339, the Commission approved a set of proposed changes to analytical principals, including Proposal Fifteen.¹ That proposal authorized the Postal Service to use a new data source for the ODIS-RPW revenue, volume, and weight estimates for most domestic single-piece products (First-Class Mail, Priority Mail, Parcel Post, Media Mail, and Library Mail). Where the source of these data had been the ODIS-RPW sample, Proposal Fifteen proposed to use a different source for the portion of these products that enter the mailstream through a Point-of-Service System (POS ONE) equipped office. Single-piece mail that enters the mailstream from a retail

¹ Order on Analytical Principles Used in Periodic Reporting (Proposals Three Through Nineteen), November 13, 2009 (Order No. 339).

counter where the POS ONE system often is affixed with a PVI label that allows it to be tracked by an ODIS-RPW data collector. Proposal Fifteen proposed to have the data collector replace the sample data for single-piece mail entered through POS ONE offices with POS ONE census data. It was assumed by the Postal Service and the Commission that the census data would be more precise than the sample data. *Id.* at 39.

On November 18, 2010, the Postal Service filed a request to delay the implementation of Proposal Fifteen until FY 2011.² In its Request, the Postal Service explains that the FY 2010 results for some products show an unexpectedly wide discrepancy between the sample data and the census data. With respect to Priority Mail, for example, it notes that there is a 20 percent discrepancy between the two. *Id.* at 2. It states that this result casts doubt on the assumption shared by it and the Commission that the census data would corroborate the sample data, but be more precise. It notes that the methodology used can affect the calculation of the contribution that 39 U.S.C. 3633(a)(3) requires competitive products to make to system institutional costs. *Id.*

The Postal Service proposes to audit the process by which POS information is translated into data that feeds directly into the RPW report, using Lean Six Sigma techniques. It proposes to finish this process and to validate the methodology underlying Proposal Fifteen by July 1, 2011. *Id.*

The Commission agrees that the discrepancy in results between the sample and census data warrants an investigation of the validity of the methodology approved in connection with Proposal Fifteen. The Postal Service's request for a limited deferral of the implementation of the analytical principle approved in Proposal Fifteen is granted.

² Request of the United States Postal Service to Delay Implementation of Proposal Fifteen, November 18, 2010 (Request).

It is ordered:

The Request of the United States Postal Service to Delay Implementation of Proposal Fifteen, filed November 18, 2010, is granted.

By the Commission.

Shoshana M. Grove
Secretary