

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

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton; and
Robert G. Taub

Periodic Reporting
(Proposals Sixteen through Twenty)

Docket No. RM2012-2

ORDER GRANTING MOTION OF TIME INC.
TO EXTEND PERIOD FOR COMMENTS

(Issued February 2, 2012)

On January 23, 2012, Time Inc. filed a motion to extend the period for comments on Proposal Eighteen in this docket so that it will coincide with the period for comments in Docket No. ACR2011, which is pending. Its motion also asked the Commission to merge the comments on Proposal Eighteen with the comments on the same subject matter in Docket No. ACR2011.¹ The Postal Service has not filed an answer.

An objective of the Commission's rules of practice is that changes in analytical principles used by the Postal Service in preparing its periodic reports to the Commission be evaluated in informal rulemakings and approved by the Commission before they are incorporated into the Postal Service's Annual Compliance Report (ACR). However,

¹ Motion of Time Inc. to Extend Period for Comments of Proposal Eighteen, January 23, 2012 (Motion).

when the Postal Service files petitions to change analytical principles close to the due date for the filing of its ACR, this practice is not consistent with the objectives of the Commission's rules. This was the case with Proposal Eighteen.

Proposal Eighteen would make four distinct changes to the Flats Cost Model. One of the changes proposed is to include for the first time an explicit estimate of the cost of processing flats in the Flats Sequencing System (FSS). The Postal Service explains that this change is needed because deployment of the FSS was completed in FY 2011.²

The Postal Service filed its Petition in this docket on November 30, 2011. In an effort to process Proposals Sixteen through Twenty promptly, so that its non-controversial improvements could be used in the 2011 ACR evaluation, the Commission set December 30, 2011, as the deadline for initial comments, and January 9, 2012, as the deadline for reply comments.

When it files a petition to change analytical principles close to the time for filing its ACR, it is the Postal Service's usual practice to file two versions of the affected estimates—one with the proposed change and one without. The Postal Service did this with respect to three of the four changes encompassed by Proposal Eighteen. Time Inc., however, asserts that the Postal Service incorporated its new FSS analysis in both versions of the Flats Cost Model presented in its 2011 ACR.³

Time Inc. argues that the comment and reply comment deadlines established for Proposal Eighteen were much too short for adequate analysis of these proposed changes since they have potentially large impacts on flats costs. It asserts that it has found substantial errors in the estimates of piece-related processing costs for FSS

² Petition of the United States Postal Service Requesting Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposals Sixteen through Twenty), November 30, 2011, at 8 (Petition).

³ It should be noted that Proposal 18 Modification 1 can be removed by changing the "FSS costing" switch from ON to OFF. See USPS-FY11-11, Excel files: USPS-FY11-11_FCM_Prsrt_Flats.xls, tab: "Switches"; USPS-FY11-11 STD Flats.xls, tab: "Switches"; and USPS-FY11-11 PER OC flats.xls, tab: "Switches".

scheme bundles, 5-digit bundles, and carrier route bundles. Motion at 3. Time Inc. says that it plans to file its analysis of the proposed changes to the Flats Cost Model in the pending ACR docket according to the comment schedule established for that docket. It anticipates that the Commission will address these issues in the ACR. To avoid duplicative filings and the potential confusion that they might cause, Time Inc. asks the Commission to merge further comments on Proposal Eighteen with comments filed in the ACR and have the ACR comment schedule apply.⁴

Time Inc., has stated sufficient cause for extending the deadlines for comments and reply comments on Proposal Eighteen to align with those of Docket No. ACR2011 (February 3 and February 17, 2012, respectively). The Commission will so order.

The Commission has identified unexamined issues with respect to some other proposals in Docket No. RM2012-2, and will shortly issue a Chairman's Information Request asking the Postal Service to address them. To accommodate the additional exchange of information and views which may result, the Commission will set February 17, 2012 as the deadline for supplemental comments on any of the remaining proposals in Docket No. RM2012-2. The Commission will not, however, merge the comments of Docket Nos. RM2012-2 and ACR2011 as Time Inc. requests, as that is likely to complicate, rather than simplify, handling of the range of issues that remain in Docket No. RM2012-2.

It is ordered:

1. The Motion of Time Inc. to Extend the Period for Comments on Proposal Eighteen, filed January 23, 2012, is granted to the extent described in the body of this Order.

⁴ *Id.* at 5. In Docket No. ACR2011, comments are due on February 3, 2012. Reply comments are due on February 17, 2012.

2. Supplemental Comments on Proposal Eighteen in Docket No. RM2012-2 may be filed no later than February 3, 2012. Reply Comments may be filed no later than February 17, 2012.

3. Supplemental Comments on Proposals Sixteen, Seventeen, Nineteen, and Twenty in Docket No. RM2012-2 may be filed no later than February 17, 2012.

By the Commission.

Ruth Ann Abrams
Acting Secretary