

ORDER NO. 1913

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

Before Commissioners:

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

Periodic Reporting
(Alternative Format CRA Report)

Docket No. RM2014-2

ORDER GRANTING WAIVER OF FILING
FY 2013 ALTERNATE CRA

(Issued December 18, 2013)

I. INTRODUCTION

On November 15, 2013, the Postal Service filed a petition requesting that the Commission initiate a rulemaking proceeding to eliminate the requirement for the production and submission, as part of its Annual Compliance Report (ACR), of the “Alternate CRA (Cost and Revenue Analysis Report)” required by Commission rule 3050.14.¹ By notice on November 21, the Commission established this rulemaking docket to consider eliminating the requirement for the Alternate CRA.²

¹ Petition of the United States Postal Service for the Initiation of a Proceeding to Eliminate the Requirement for an Alternative Format CRA Report, November 15, 2013, at 1 (Petition).

² Notice of Petition for the Initiation of a Proceeding to Eliminate the Alternative Format CRA Report, November 21, 2013 (Order No. 1891).

The Postal Service also requested that the filing requirement be waived for Fiscal Year (FY) 2013 if the Commission anticipates that it might not be able to complete the requested rulemaking prior to the time by which preparation of this year's ACR must be finalized. Petition at 1. The Postal Service is required to file the ACR for FY 2013 by December 29, 2013. In Order No. 1891, the Commission established December 3, 2013 as the due date for responses to the request for waiver.³ The waiver is granted.

II. REQUEST FOR WAIVER

A. Request for Waiver of Rule 3050.14

Commission rule 3050.14 establishes the format for the Cost and Revenue Analysis Report (CRA) which reports costs, revenues, volumes, contribution, and other information "reflecting the classification structure in the Mail Classification Schedule." 39 C.F.R. § 3050.14. The same rule also requires "an alternative, more disaggregated format [Alternate CRA] capable of reflecting the classification structure in effect prior to the adoption of the Postal Accountability and Enhancement Act [PAEA]." *Id.*

According to the Postal Service, data systems cannot always track the information by pre-PAEA categories, and other methods of estimating the data required for the Alternate CRA have been developed using varying methodologies. Petition at 3. As a result, the aggregation of cost data may not always match those developed via a different estimation technique, and data for some categories may not exist at all. *Id.* at 3-4.

The Postal Service claims that the burden to produce the Alternate CRA is substantial when Postal Service resources "are already most fully taxed by preparation of the other components of the ACR." *Id.* at 4. The Alternate CRA, it says, "cannot be produced until all other ACR work has been completed, as it requires inputs from the CRA itself, the cost avoidance studies, and other analyses, which means that the

³ Order No. 1891 at 4. The Commission also established January 9, 2014 and January 23, 2014 as the due date for comments and reply comments, respectively, regarding the Petition. *Id.*

Alternate CRA is the last part of the ACR production process and requires last minute attention.” *Id.* at 4-5.

The Postal Service therefore requests that the Commission waive application of the Alternate CRA portion of rule 3050.14 for FY 2013. *Id.* at 5-6.

B. Public Representative Comments

The Public Representative filed the only comment.⁴ The Public Representative notes that the Alternate CRA “served as a bridge between pre-PAEA and PAEA specified product classifications” and “was a useful check during the transition to ensure that all pre-PAEA products were included within the PAEA product classifications.” PR Comments at 1-2.

The Public Representative recommends that given the significance of the Alternate CRA in prior years, and the “insufficient span of time in which to receive input from interested parties regarding the benefits and uses of this data point,” the Commission should deny the waiver pending completion of deliberations weighing the merits of the continued existence of the Alternate CRA. *Id.* at 2.

C. Commission Analysis

The Public Representative correctly observes that the Alternate CRA has provided a “useful check during the transition to ensure that all pre-PAEA products were included within the PAEA product classifications.” PR Comments at 2. In addition, as the Public Representative notes, the Alternate CRA has been used to track cost trends at the product level back to pre-PAEA data. *Id.*

By the same token, however, the Postal Service’s support for the waiver is not without merit. The increased number of modifications to the product lists and the

⁴ Public Representative Comments in Response to Order No. 1891, Concerning Rulemaking to Eliminate the Alternate Format CRA Report, December 3, 2013 (PR Comments).

varying methodologies for estimating the data in the Alternate CRA may have reduced that report's usefulness. See Petition at 4-5.

Other than the Public Representative, no interested person filed comments either supporting or objecting to the waiver. The request for waiver is granted. Should the need arise for information otherwise available in the Alternate CRA in the Docket No. FY 2013 ACR, the Postal Service has committed to respond to any information request addressing such need. Petition at 6.

In this proceeding, the Commission will consider the merits of the Postal Service's request to cease production of the Alternate CRA. Interested persons are encouraged to submit their views on the Petition. As noted in Footnote 3, comments are due January 9, 2014.

The request for waiver of the requirement to file the Alternate CRA for FY 2013 is granted.

III. ORDERING PARAGRAPHS

It is ordered:

The request for waiver of application of the Alternate CRA portion of rule 3050.14 for FY 2013 is granted.

By the Commission.

Shoshana M. Grove
Secretary