

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

Before Commissioners:

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

Periodic Reporting
(Proposals One Through Two)

Docket No. RM2014-4

NOTICE OF PROPOSED RULEMAKING ON ANALYTICAL PRINCIPLES USED IN
PERIODIC REPORTING
(PROPOSALS ONE THROUGH TWO)

(Issued March 28, 2014)

I. INTRODUCTION

On March 27, 2014, the Postal Service filed a petition pursuant to 39 CFR 3050.11 requesting that the Commission initiate an informal rulemaking proceeding to consider changes to two analytical methods for use in periodic reporting.¹ The Petition identifies the proposed analytical method changes filed in this docket as Proposals One through Two.

¹ Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposals One Through Two), March 27, 2014 (Petition).

II. PROPOSALS

A. Proposal One. Proposed Change in RPW Methodology for Use of Additional PostalOne! and Self Service Kiosk Data to Replace ODIS-RPW Statistical Sampling Estimates

The Postal Service currently utilizes statistical sampling estimates from the Origin Destination Information System-Revenue, Pieces, and Weight (ODIS-RPW) to measure national revenue, pieces, and weight for Business Reply Mail (BRM), International Business Reply Service (IBRS) and Merchandise Return Service (MRS) mail. The Postal Service proposes to replace ODIS-RPW estimates with data from its PostalOne! system (PostalOne data) and Self-Service Kiosk data (SSK data) for its Revenue, Pieces, and Weight (RPW) Report. *Id.* at 2. Because PostalOne and SSK data reflect “census” information, that is, information collected from previous BRM, IBRS, and MRS mailings, the Postal Service asserts that these data do not contain the sampling errors that are inherent in statistical sampling systems such as ODIS-RPW. *Id.* at 2, 6. The Postal Service suggests performing ratio adjustments to account for those offices that do not use the PostalOne system for processing BRM, IBRS, and MRS pieces. *Id.* at 6-7.

B. Proposal Two. TRACS Change to Fed Ex Night Turn Distribution Key

The Postal Service employs a distribution key to assign volume variable costs for the Fed Ex Night Turn air carrier in the Transportation Cost System (TRACS). The distribution key is currently based on an ongoing statistical sampling of mail conveyed through the Fed Ex Night Turn air carrier system. *Id.* at 11. The Postal Service proposes to replace the statistical sampling data with operations data obtained from the Surface Air Management System (SAMS), the Product Tracking System (PTS), the Foreign Postal Settlement (FPS) system, and data regularly collected by TRACS. It maintains that portions of the Postal Service census data are now sufficiently reliable to be the basis of the distribution key. *Id.*

III. NOTICE AND COMMENT

The Commission establishes Docket No. RM2014-4 for consideration of matters raised by the Petition. More information on the Petition may be accessed via the Commission's website at <http://www.prc.gov>. Interested persons may submit comments on the Petition and Proposals One through Two no later than April 11, 2014. Reply comments are due no later than April 18, 2014. Pursuant to 39 U.S.C. 505, Cassie D'Souza is designated as officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. RM2014-4 for consideration of the matters raised by the Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposals One Through Two), filed March 27, 2014.
2. Comments by interested persons in this proceeding are due no later than April 11, 2014. Reply comments are due no later than April 18, 2014.
3. Pursuant to 39 U.S.C. 505, the Commission appoints Cassie D'Souza to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this docket.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Shoshana M. Grove
Secretary