

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

Periodic Reporting
(Proposal Twelve)

Docket No. RM2015-5

PUBLIC REPRESENTATIVE COMMENTS IN RESPONSE
TO ORDER NO. 2246 CONCERNING RULEMAKING ON
ANALYTICAL PRINCIPLES USED IN PERIODIC REPORTING
(PROPOSAL TWELVE)

December 5, 2014

I. INTRODUCTION

The Public Representative files Comments pursuant to the Commission's Notice of November 12, 2014 in this docket.¹ On November 7, 2014, the Postal Service filed a petition requesting the Commission to initiate a rulemaking proceeding to consider a change in analytical methods for use in its periodic reporting.²

II. BACKGROUND

The Postal Service proposes to include costs related to its Customer Care Centers, and reported in its Cost and Revenue Analysis Report (CRA) previously in Cost Segment 16 Supplies and Services, to Cost Segment 3 Clerks and Mail Handlers, CAG A-J Post Offices. It also proposes a new method of attributing these costs to mail products.

¹ Notice of Proposed Rulemaking on Analytical Principles Used in Periodic Reporting (Proposal Twelve), November 12, 2014, Order No. 2246 (Notice). Reply comments are due no later than December 15, 2014.

² Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Twelve), November 7, 2014 (Petition).

III. COMMENTS

The transfer of Customer Care Centers cost from Cost Segment 16 to Cost Segment 3 appears reasonable as the Centers are now staffed by postal employees.

The Postal Service also proposes a new methodology without providing the “established”³ costing methodology used to allocate the outsourced contractor costs incurred prior to FY 2014 related to their corporate call centers and reported in Cost Segment 16. A comparative analysis of the new methodology against the “established” method cannot be accomplished.

The proposed methodology groups activities and time spent on these activities based on the type of call and the amount of time on the call by the clerks.⁴ Neither the proposal nor the attached worksheet provides the method used to separate these distinct activities and time spent on them into the various cost elements. There is an even further complication interjected with no support provided when calls relating to “General Inquiry” are separated as attributable and institutional as stated in Step 2⁵ with no explanation of the method used.

The Postal Service proposal also states that the inquiries related to mail products and special services should be attributed to these products but does not provide the method used to attribute the proportional share of these inquiry costs to these products.⁶ Similarly detail on how the data on products utilizing the various call activities is gathered in order for the related costs to be attributed to the products as stated in Step 4⁷ is not provided.

The Public Representative commends the Postal Service on attempting to separate the data into finer units to attribute costs to the products but notes that the above stated lack of information renders the proposal difficult to understand and

³ Petition at 1.

⁴ *Id* at 2.

⁵ *Id* at 2 and 3.

⁶ *Id* at 2

⁷ *Id* at 3

determine if the new methodology proposed is an improvement. The details stated above, if provided, may aid in the Commission's evaluation of the proposal.

IV. CONCLUSION

The Public Representative respectfully submits the foregoing Comments for the Commission's consideration.

Respectfully submitted,

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