

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

Before Commissioners:

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

Periodic Reporting
(Proposal Six)

Docket No. RM2015-15

NOTICE OF PROPOSED RULEMAKING ON
ANALYTICAL PRINCIPLES USED IN PERIODIC REPORTING
(PROPOSAL SIX)

(Issued July 29, 2015)

I. INTRODUCTION

On July 27, 2015, the Postal Service filed a petition pursuant to 39 CFR 3050.11 requesting that the Commission initiate an informal rulemaking proceeding in order to consider changes in analytical principles relating to periodic reports.¹ Proposal Six is attached to the Petition and identifies the proposed analytical method change as a change related to the methodology used for measuring the national totals of revenue, pieces, and weight in the Revenue, Pieces, and Weight (RPW) Report for Click-N-Ship

¹ Petition of the United States Postal Service Requesting Initiation of a Proceeding to Consider a Proposed Change in Analytical Principles (Proposal Six), July 27, 2015 (Petition).

(CNS) Priority Mail. The Postal Service concurrently filed a non-public library reference, along with an application for non-public treatment of materials.²

II. SUMMARY OF PROPOSAL

The Postal Service explains that the current RPW methodology relies on two sources for CNS: (1) CNS system census data regarding transactions involving insured extra services; and (2) statistical estimates from the Origin Destination Information System (ODIS)-RPW probability sampling system for CNS Priority mail that are not associated with insured transactions (including Priority Mail transactions where insurance is included). Petition, Proposal Six at 3. Under Proposal Six, ODIS-RPW statistical sampling estimates would be replaced with the remaining CNS system census transactional data. *Id.* All data for CNS would therefore be census derived from CNS system generated transactions, with the exception of flat-rate products.³ In addition, CNS census activity would be adjusted to reflect refunds from the corresponding time period. *Id.* at 5.

As part of the public Excel spreadsheet filed with the Petition, the Postal Service provides an example of the kind of impact that a switch to census data would have on RPW Report data from the first quarter of Fiscal Year 2015. *Id.* at 7-8. Table A compares current ODIS-RPW report totals to RPW totals when incorporating new census sources. *Id.* at 8. The results show that the CNS portion of Priority Mail revenue, volume, and weight would have decreased, respectively, by 13.7, 14.3, and 4.4 percent, while extra service revenue would have increased by 18 percent. *Id.*

² Notice of Filing of USPS-RM2015-15/NP1 and Application for Nonpublic Treatment, July 27, 2015 (Notice). The Library Reference is USPS-RM2015-15/NP1—Nonpublic Material Relating to Proposal Six (Click-N-Ship). The Notice incorporates by reference the Application for Non-Public Treatment of Materials contained in Attachment Two to the United States Postal Service Fiscal Year 2014 Annual Compliance Report, December 29, 2014. Notice at 1. See 39 CFR part 3007 for information on access to non-public material.

³ *Id.* As weight is not required for flat-rate products within the CNS system, ODIS-RPW estimated weight per piece would be used to estimate weight for flat-rate products. *Id.*

The Postal Service asserts that the proposed changes will provide “a complete source of transaction-level data for mail piece revenue and volume characteristics, and their associated extra services needed for RPW reporting.” *Id.* at 7. The Postal Service also states that the proposed changes would provide a more accurate report of flat-rate product weights and would provide a process for adjusting revenue and transactions thereby aligning them with the accounting treatment of refund revenue. *Id.*

III. INITIAL COMMISSION ACTION

The Commission establishes Docket No. RM2015-15 for consideration of matters raised by the Petition. Additional information concerning the Petition may be accessed via the Commission’s website at <http://www.prc.gov>. Interested persons may submit comments on the Petition and Proposal Six no later than September 2, 2015. Reply comments are due no later than September 11, 2015. Pursuant to 39 U.S.C. 505, Lyudmila Y. Bzhilyanskaya is designated as an 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. RM2015-15 for consideration of the matters raised by the Petition of the United States Postal Service Requesting Initiation of a Proceeding to Consider a Proposed Change in Analytical Principles (Proposal Six), filed July 27, 2015.
2. Comments are due no later than September 2, 2015. Reply comments are due no later than September 11, 2015.

3. Pursuant to 39 U.S.C. 505, the Commission appoints Lyudmila Y. Bzhilyanskaya 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