

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 Eleven)

Docket No. RM2016-1

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

(Issued October 14, 2015)

I. INTRODUCTION

On October 7, 2015, the Postal Service filed a petition pursuant to 39 CFR 3050.11 requesting that the Commission initiate an informal rulemaking proceeding to consider a proposed change in analytical principles relating to periodic reports.<sup>1</sup> A description of Proposal Eleven is attached to the Petition. *Id.* at 1.

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<sup>1</sup> Petition of the United States Postal Service Requesting Initiation of a Proceeding to Consider a Proposed Change in Analytical Principles (Proposal Eleven), October 7, 2015 (Petition).

The Petition seeks a change in the statistical point and variance estimation methodology for the Origin-Destination Information System – revenue, pieces, and weight (ODIS-RPW) system<sup>2</sup> estimates used in the “Revenue, Pieces and Weight By Class and Special Services (RPW) report relating to letter and card mailpieces that will be sampled digitally.” Petition at 3.

## II. SUMMARY OF PROPOSAL

Under Proposal Eleven, beginning Q2 FY2016 (January 1, 2016), the Postal Service seeks to replace the direct expansion estimator for the population of digitally sampled First-Class letter and card mail,<sup>3</sup> within ODIS-RPW, with a ratio estimator that utilizes national End-of-Run machine counts. Petition at 1-2. “The digital letter mail estimates utilizing the ratio estimator applied to the digital letter mail sampling frame would be combined with direct expansion estimates from the non-digital sampling frame.” *Id.* at 2. The Postal Service contends the proposed ratio estimator for the letter mail digital sampling frame mathematically outperforms the direct expansion estimator for First-Class Mail single-piece volume and revenue. *Id.*

The Postal Service plans to implement the change described in Proposal Eleven on January 1, 2016. *Id.* at 3. The Postal Service asserts that the proposed estimation methodology of the ratio estimator is an improvement over the direct expansion estimator and will improve the product estimates used for RPW by reducing bias and significantly lowering the calculated coefficient of variation for the same sample size. *Id.* The Postal Service states that “[t]he only significant category affected is First-Class Mail single piece letters and cards.” *Id.* at 4.

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<sup>2</sup> “The ODIS-RPW system is a probability-based destinating mail sampling system used to support the Postal Service's many and varied business needs for mail revenue and volume information. ODIS-RPW primarily supplies official RPW estimates of revenue, volume and weight for single-piece stamped and metered indicia mail.” Petition at 4.

<sup>3</sup> Docket No. RM2015-11, Order on Analytical Principles Used in Periodic Reporting (Proposal Three) September 30, 2015 (Order No. 2739).

### III. INITIAL COMMISSION ACTION

The Commission establishes Docket No. RM2016-1 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 Eleven no later than November 24, 2015. Reply comments are due no later than December 7, 2015. Pursuant to 39 U.S.C. 505, Lyudmila Y. Bzhilyanskaya is designated as an officer of the Commission to represent the interests of the general public (Public Representative) in this proceeding.

### IV. ORDERING PARAGRAPHS

*It is ordered:*

1. The Commission establishes Docket No. RM2016-1 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 Eleven), filed October 7, 2015.
2. Comments are due no later than November 24, 2015. Reply comments are due no later than December 7, 2015.
3. Pursuant to 39 U.S.C. 505, the Commission appoints Lyudmila Y. Bzhilyanskaya to serve as Public Representative in this docket.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Ruth Ann Abrams  
Acting Secretary