

POSTAL REGULATORY COMMISSION (PRC)**Statement of Regulatory Priorities**

The Postal Accountability and Enhancement Act (PAEA or the Act) was signed into law on December 20, 2006. This law gives the Postal Service additional tools to meet the challenges of changing markets, and a new authority to price its own products. It reaffirms the Postal Service's role as a government service whose primary mission remains providing universal postal services at affordable rates. Among other things, the PAEA re-established the Postal Rate Commission as the Postal Regulatory Commission (PRC or Commission). The PAEA gave the Commission enhanced responsibilities and authority to meet the challenges of the new law. It is the intention of the Commission to use its enhanced authority to ensure accountability and transparency of the Postal Service to the public it serves.

In fiscal year 2008, the Commission's significant rulemaking activity will involve a comprehensive review of its current regulations to ensure alignment with the PAEA. Many of its regulations will be rewritten to comply with the mandates of the Act. Due to strict statutory deadlines mandated in the PAEA, the Commission's principal regulatory priorities for fiscal year 2008 are: (1) to develop and implement regulations that design a new, modern system of rate regulation for market dominant products, and (2) to develop and implement regulations to bound the Postal Service's discretion in setting rates for competitive products. The Commission, in connection with the Postal Service's stakeholders, has begun meeting these challenges and will continue to do so well into fiscal year 2008.

PRC**FINAL RULE STAGE****186. • SYSTEM OF RATE REGULATION FOR MARKET DOMINANT PRODUCTS****Priority:**

Economically Significant. Major under 5 USC 801.

Legal Authority:

PL 109-435, sec 201; 39 USC 3622

CFR Citation:

Not Yet Determined

Legal Deadline:

Final, Statutory, June 20, 2008, Statutory deadline for issuance.

Congress has given the Commission 18 months from the date of enactment of PL 109-435 to issue rules establishing a modern system of rate regulation.

Abstract:

On February 5, 2007, the Commission published an advance notice of proposed rulemaking to begin a proceeding to implement a modern system for regulating rates and classes for market dominant products as required by the Postal Accountability and Enhancement Act. This system of regulations will address the standards for compliance with the objectives, factors, and requirements discussed in the PAEA.

Statement of Need:

A modern system of regulating rates and classes for market dominant products is required by the Postal Accountability and Enhancement Act. Congress tasked the Postal Regulatory Commission with the job of implementing that system. This system of regulations is the Commission's implementation of that Congressional directive.

Summary of Legal Basis:

The Postal Accountability and Enhancement Act section 201 states that "the Postal Regulatory Commission shall . . . by regulation establish (and may from time to time thereafter by regulation revise) a modern system for regulating rates and classes for market-dominant products."

Alternatives:

There are no alternative methods of complying with the requirements of Postal Accountability and Enhancement Act section 201 other than by issuing regulations.

Anticipated Costs and Benefits:

The streamlined modern system of rate regulation for market dominant products is expected to reduce litigation costs for the Postal Service and its stakeholders. It is also expected to give the Postal Service more pricing flexibility and less volatility in ratemaking than under prior law.

Risks:

There are no known risks to this regulatory action.

Timetable:

Action	Date	FR Cite
ANPRM	02/05/07	72 FR 5230
ANPRM Comment Period End	04/06/07	
ANPRM Reply Comment Period End	05/07/07	
Second ANPRM	05/25/07	72 FR 29284
Second ANPRM Comment Period End	06/18/07	
Second ANPRM Reply Comment Period End	07/03/07	
NPRM	09/04/07	72 FR 50744
NPRM Comment Period End	09/24/07	
NPRM Reply Comment Period End	10/09/07	
Final Action	11/00/07	

Regulatory Flexibility Analysis Required:

No

Government Levels Affected:

None

URL For More Information:

www.prc.gov

URL For Public Comments:

www.prc.gov

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PRC**187. • COMPETITIVE PRODUCTS****Priority:**

Economically Significant. Major under 5 USC 801.

Legal Authority:

PL 109-435, sec 202; 39 USC 3633

CFR Citation:

Not Yet Determined

Legal Deadline:

Final, Statutory, June 20, 2008, Statutory deadline for issuance.

Congress has given the Commission 18 months from the date of enactment of

PL 109-435 to promulgate rules dealing with competitive products.

Abstract:

On February 5, 2007, the Commission published an advance notice of proposed rulemaking to begin a proceeding to ensure that competitive products contribute their fair share to the Postal Service's finances as required by the Postal Accountability and Enhancement Act. These regulations will address the technical standards for ensuring that these statutory requirements are met.

Statement of Need:

The Postal Accountability and Enhancement Act directs the Commission to promulgate regulations to appropriately bound the Postal Service's discretion in setting rates for competitive products. This system of regulations is the Commission's implementation of that Congressional directive.

Summary of Legal Basis:

The Postal Accountability and Enhancement Act section 202 directs that "the Postal Regulatory Commission shall . . . promulgate (and may from time to time thereafter revise) regulations" to ensure that competitive products contribute their fair share to the Postal Service's finances.

Alternatives:

There are no alternative methods of complying with the requirements of Postal Accountability and Enhancement Act section 202 other than by issuing regulations.

Anticipated Costs and Benefits:

The competitive products regulations are expected to make sure that the Postal Service is an effective competitor in the marketplace and that it has appropriate tools to carry out this task. The regulations are expected to reduce litigation costs for the Postal Service and its stakeholders and give more pricing flexibility and less volatility in ratemaking than under prior law.

Risks:

There are no known risks to this regulatory action.

Timetable:

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ANPRM Reply Comment Period End	05/07/07	
Second ANPRM	05/25/07	72 FR 29284
Second ANPRM Comment Period End	06/18/07	
Second ANPRM Reply Comment Period End	07/03/07	

Action	Date	FR Cite
NPRM	09/04/07	72 FR 50744
NPRM Comment Period End	09/24/07	
NPRM Reply Comment Period End	10/09/07	
Final Action	11/00/07	

Regulatory Flexibility Analysis Required:

No

Government Levels Affected:

None

URL For More Information:

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