

Press Release

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PRC Issues Proposed Rulemaking for Periodic Reporting

Washington, DC – The Postal Regulatory Commission (PRC) today published proposed regulations prescribing the form and content of information the Service will routinely report to the Commission to achieve transparency and accountability of the Service. The information will be used by the Commission to prepare its annual report to Congress, complete its annual assessment of the Services' compliance with the new postal act, and perform other evaluations and studies for which it is responsible. Comments to the proposed regulations are due by October 16, 2008, and reply comments are due by November 15, 2008. The proposed regulations are available on the Commission's website, www.prc.gov, Docket No. RM2008-4, and will be available in the *Federal Register*.

"Congress enacted the Postal Accountability and Enhancement Act (PAEA) in an effort to enhance the transparency and accountability of the U.S. Postal Service," said PRC Chairman Dan G. Blair. "These proposed regulations are in furtherance of those goals. They will provide the Commission with the information required to evaluate the Service's compliance with the new regulatory and reform framework brought about by the Act. The Commission looks forward to public review and feedback on these proposed regulations."

The proposed rulemaking consists of an explanation of where and why data to be filed by the Postal Service under the Commission's new responsibilities are different from the data the Commission previously required to perform its former responsibilities. "The Commission carefully crafted these regulations with an eye toward balancing the burden of information production with the mailing public's right to know, and the data needed to carry out the various Commission assessments that the PAEA requires," Blair added.

These finance-related rules will be followed shortly by rules requiring information on service performance measurement. The Commission must first complete an assessment of the Postal Service's performance measurement system and the Intelligent Mail Barcode that the Postal Service is now refining.

Because of the complexity of these proposed rules, the Commission is allowing a significant amount of time to prepare comments. All comments and suggestions received will be available for review on the Commission's website at www.prc.gov.

Highlights of the proposed reporting rules are attached.

The Postal Regulatory Commission is an independent federal agency comprised of five Presidentially-appointed and Senate-confirmed Commissioners, each serving terms of six years. The Chairman is designated by the President. In addition to Chairman Blair, the other Commissioners are Ruth Goldway, Tony Hammond, Mark Acton, and Nanci Langley.

Highlights of the Commission's Proposed Information Reporting Rules

The proposed rule would require the Postal Service to provide to the Commission with the following major information items. These are needed to enable the Commission to evaluate annually the Postal Service's financial and operational performance, and the postal regulatory system's effectiveness.

- The Cost and Revenue Analysis (CRA) report showing the financial effect of providing each mail product or service, and supporting documentation
- Comparisons of costs saved with discounts awarded for mailer worksharing
- Estimates of the financial effect of individually-negotiated rates for mail service
- The Revenue, Pieces, and Weight (RPW) report and billing determinants for each of the rate categories within each product or service
- Estimates of the incremental costs of competitive products to help ensure that they are not subsidized by its market dominant products

The proposed rule would also require:

- Certain delivery and window service cost information to help the Commission estimate the cost of maintaining universal postal service
- Information on the elasticity of demand of postal products
- SEC-style financial reports on the Postal Service's recent financial performance and financial outlook
- Progress reports on various Postal Service management programs

The proposed rule also describes informal rulemaking procedures to be followed when the postal community sees a need to change the analytical methods used by the Postal Service to calculate its financial and service performance results.
