

Postal Regulatory Commission

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Press Release

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Washington, DC –

Postal Regulatory Commission Seeks Comments on Accounting Rules

Washington, DC – The Postal Regulatory Commission (PRC) today established Docket No. PI2008-2 to receive comments from the public on the recommendations made by the U.S. Department of the Treasury in its report, *Accounting Principles and Practices for the Operation of the United States Postal Service's Competitive Product Fund*. The report, required by the Postal Accountability and Enhancement Act (PAEA), was submitted to the Commission on December 19, 2007, and may be found on the Commission's website, <http://www.prc.gov>, under "What's New." Today's Notice may be found under "Daily Listings" on the PRC website.

The Commission's Notice also seeks public comments on specific questions it poses in response to Treasury's report. Interested persons may submit comments no later than 60 days from the date of publication of the Notice in the *Federal Register*. Reply comments will be due no later than 90 days from the date of the Notice in the *Federal Register*.

"This latest request for public comment represents an important step for the Commission in fulfilling its obligations under the PAEA to formulate accounting practices and principles for the Postal Service," said Chairman Dan G. Blair.

After reviewing the comments, the Commission will initiate a rulemaking proceeding to develop regulations for the accounting practices and principles governing funds from competitive products. Rules will also be established for determining the assumed Federal income tax on competitive products income. Approximately 10 percent of Postal Service revenues are generated by products, such as Express Mail, offered in competition with private firms, such as United Parcel Service and Federal Express.

"These are unique circumstances. By law, the Postal Service must compute an approximation of the Federal income tax it would pay on its competitive products to ensure fair competition with the private sector. Public input on key aspects of the report will help guide the Commission as it performs its regulatory responsibilities," Chairman Blair said.

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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, and Mark Acton.