

Library Reference J-12 that the Postal Service provided in Docket No. R2001-1 (specifically, the data contained in the "Z" file).

The Commission needs this level of documentation for both the CRA-PRC Version and the CRA-USPS Version. Since rule 102(a)(1) was last revised, significant differences have emerged in Cost Segments 3 and 7 between the attribution methods that the Postal Service advocates, and those that the Commission applies. In rate cases, in order to comply with the Commission's filing rules, the Postal Service typically provides a version of the CRA that is consistent with its preferred methods, and one that is consistent with the methods last approved by the Commission. In addition, as part of its reporting duties under rule 103, the Postal Service each March 15 provides a domestic CRA calculated according to the Commission's attribution methods. The CRA-PRC Version that the Postal Service provides contains detailed documentation for Cost Segments 3, 6, and 7 (the equivalent of the "B" workpapers for those segments).¹ Rule 103 requires the Postal Service to follow this up with an audited CRA-PRC Version when it becomes available. The Postal Service's current practice is to meet this obligation by providing an audited domestic CRA that is calculated according to its preferred attribution methods.

The Commission is primarily interested in obtaining a CRA-PRC Version, since it typically provides the cost basis for recommended rates. It should be audited in the sense that it is based on audited accrued costs, and should include any corrections to the various factors (such as equipment and maintenance facility factors) that are made to the audited CRA-USPS Version. The Commission's experience under rule 103, however, confirms the value of having a CRA-USPS Version to compare it with. The estimates produced by the two versions of the CRA have a predictable historical relationship that can be used to test their accuracy. Accordingly, proposed rule 102(a) requires that the Postal Service provide both versions of the CRA. The audited CRA-USPS Version should be provided within two weeks of its presentation for use by postal management. The final, corrected CRA-PRC Version should be filed within two weeks of the filing of the audited CRA-USPS Version. If the CRA is prepared

and presented to postal management more frequently than annually, it should be provided under rule 102 with the same frequency.

Under current costing methods, documentation of the CRA should include, but not be limited to, the following:

(1) Spreadsheets supporting the CRA. (The "B" workpapers found in USPS-LR-J-57 in Docket No. R2001-1.)

(2) The CRA Model. (Filed as UPSP-LR-J-6 in Docket No. R2001-1.)

(3) Output data file and a description of the file structure for the In-Office Cost System (IOCS). (Found in USPS-LR-J-10 in Docket No. R2001-1.)

(4) The MODS-based costing spreadsheets, and SAS mail processing attribution and distribution programs needed to produce output for the "B" workpapers. (USPS-LR-J-55 in Docket No. R2001-1.)

(5) Spreadsheets that develop equipment and facility-related costs. (USPS-LR-J-54 in Docket No. R2001-1.)

(6) Output data file and a description of the file structure for the City Carrier Cost System (CCCS). (The "Z" file, found in USPS-LR-J-12 in Docket No. R2001-1.)

(7) Supporting material, including spreadsheets, programs, and documentation for load time variabilities.

(8) The underlying route-type data needed to produce the in-office worksheets in the "B" workpapers.

(9) Output data file and a description of the file structure for the Rural Carrier Cost System (RCCS), and the Rural Mail Count. (USPS-LR-J-71 in Docket No. R2001-1.)

(10) The fiscal-year reconciliation of statement of revenue and expenses to audited financial statements and reallocation of expenses by component. (USPS-LR-J-8 in Docket No. R2001-1.)

(11) Transportation workpapers 31 and 57.

The Postal Service typically prepares all of this documentation as support for its base-year costs in rate cases. It also produces most of it routinely each year, either in the preparation of the CRA-USPS Version, or in the preparation of the material required by rule 103. Therefore, the revisions that the Commission proposes to rule 102(a)(1) should not impose a significant additional burden on the Postal Service.

Format of Reports

The CRA and Cost Segments and Components report and the underlying data have been provided electronically in omnibus rate filings. See USPS-LR-I-6 in Docket No. R2001-1. The Postal

Service, however, does not provide them in electronic form when submitting them as filings under rule 102. In order to better search, archive, and manipulate these submissions, the Commission undergoes a cumbersome and time consuming process of manually converting them from hard copy to electronic form. This burden is unnecessary, since all of these materials originate in electronic form. For this reason, the Commission's proposed revisions to rule 102 include a requirement that rule 102 reports be submitted as electronic files that can be read by publicly available PC software. Output files should be submitted in a form that can be read by a PC-based text editor, or that uses commercially available spreadsheet software. If a processing program was developed specifically to produce a workpaper that accompanies a report, that program must be provided in a form that can be executed by publicly available PC software.²

It appears that most, if not all, of the material required by rule 102 can be presented in this form without undue burden. Most of this material consists of output of data systems and programs that can be presented in an ASCII flat file with an accompanying description of the file format. This will satisfy the requirement. This is the format in which the Postal Service provides the cost matrix that it uses to develop its Base Year CRA and the cost matrices that it uses in its roll-forward model in omnibus rate cases. Many of these reports are prepared using the standard mainframe SAS statistical language. With minor additional effort, the Postal Service can convert them to a PC-readable format. Even though the Postal Service's accounting system uses a mainframe-based computing language, the Commission sees no current need to be able to manipulate the Postal Service's accounting information. These systems need not be affected by the proposed format requirement as long as the output of these systems is submitted in an ASCII flat file form. Under the proposed rule, it would not be necessary for the Postal Service to submit existing COBOL programs for the IOCS, the CRA Model, or for other reports that are COBOL based in a PC executable format. Nor would it be necessary to submit existing processing programs for the CCCS, the RCCS, or the RPW in that format. It would, however, be necessary

¹ The Postal Service does not annually provide a CRA-PRC Version that documents the remaining cost segments in as much detail, but its data and reporting systems are set up in a way that allows it to do so with minor additional effort.

² Requiring material submitted under rule 102 to be in electronic form will bring rule 102 into general conformity with the Commission's decision to make electronic filing the standard method of filing documents with the Commission. See Order No. 1349, issued October 21, 2002.