

report is very relevant to ratemaking because it lists the number of employees within each pay grade and step within the many different pay scales used by the Postal Service. This information, which can not be found in the On-Rolls and Paid Employee Statistics, is used to develop several estimates that are important in determining the revenue requirement in rate cases. For example, it is used to develop the average step increase for bargaining unit employees, as well as their attrition rate. The information in the HAT report cannot be associated with individual employees, and it is not reported by facility. The Postal Service does not contend that the availability of the data will have any specific detrimental effect on it or its employees. For these reasons, it is included in the updated rule.

VI. Suggestions of the Commenters

In the past, the Periodic Reporting Rule required billing determinants to be reported within two weeks of their presentation to postal management. Since FY 1995, billing determinants have been received from 6 to 16 months after the close of the fiscal year. In the past the Periodic Reporting Rule allowed billing determinants for Express Mail, Priority Mail, and parcel post to be delayed an additional year, causing them to be from 18 to 28 months ~~X~~ old when received. In its NPR, the Commission proposed that the rationale for the distinction between billing determinants for competitive mail classes and other mail classes be reexamined. In order to focus the reexamination, the Commission proposed that billing determinants for competitive classes be provided within a year after the close of the fiscal year to which they apply. NPR at 7.

UPS is the only party to offer substantive comments on this issue. It argues that there has never been a reasoned justification for treating billing determinants for competitive classes differently than for other classes in the context of the Periodic Reporting Rule. It points out that the Postal Service provides all billing determinants at the same time in support of its omnibus rate requests, without suggesting that billing determinants for competitive classes are commercially sensitive. It argues that the Postal Service has never pointed to any instance in which providing current billing determinants for competitive services during a rate case has caused it competitive harm, nor identified any way in which a competitor could use current billing determinants to put the Postal Service at a competitive disadvantage. UPS Comments at 2–4. It also argues that all billing determinants

should be provided on a date certain, shortly after the close of the fiscal year, rather than on a floating time table as they now are. It cites an example of the Postal Service voluntarily publicizing current volumes for parcel post rate categories at a recent National Postal Forum as evidence that the Postal Service itself does not consider them to be commercially sensitive. Id. at 5.

The Commission agrees that it would be desirable to receive billing determinant information at a consistent and shorter interval after the close of each fiscal year. The Commission has, however, tried to adhere to a policy of requiring reports under the Periodic Reporting Rule that do not add significantly to the burden that the Postal Service already bears when it prepares these reports for its internal purposes. For that reason, the Commission declines to require that most billing determinants be provided on a date certain.

The final Periodic Reporting Rule adopts the billing determinant provision as it was proposed in the NPR. It requires the Postal Service to provide billing determinants for competitive categories within one year of the close of the fiscal year to which they apply. UPS correctly notes that the Postal Service occasionally voluntarily discloses current volumes for competitive services by rate category. However, to the Commission's knowledge, the Postal Service does not voluntarily disclose other current billing determinant detail, such as weight and zone, for competitive categories. The updated rule should cut the delay in reporting billing determinant information for competitive categories from roughly two years to one year. The Commission is reluctant to go further in this regard, without a more thorough discussion of the ramifications than has been provided in this docket.

At the beginning of each fiscal year, the Postal Service prepares an operating budget that includes detailed operating expense and revenue projections for the coming fiscal year, broken out by accounting period. Under the Periodic Reporting Rule, the Commission receives the Postal Service's Financial and Operating Statements several weeks after the close of each accounting period. See rule 102(c)(1). These statements compare the detailed operating revenues and expenses projected in the Postal Service's operating budget with actual results. Under the updated Periodic Reporting Rule, the Postal Service would provide an annual Operating Plan as part of its Integrated Financial Plan. See rule 102(a)(11). This annual Operating Plan

is less detailed than the operating plans contained in its accounting period reports.

The OCA proposes that the updated Periodic Reporting Rule require the Postal Service to provide its operating budget projections for all 12 accounting periods at the beginning of the fiscal year, rather than provide them shortly after each accounting period closes. The OCA's rationale for adding this requirement to the updated rule is that the Commission and the public should not have to wait until several weeks after each accounting period to find out the Postal Service's operating plan for that accounting period. OCA Comments at 4–5.

It is not clear that the Board of Governors approves the operating plan as an annual summary document or as a document that is as detailed as the OCA describes. It is, therefore, not clear that requiring accounting period operating budget projections would conform to the criteria that the Commission applies to the Periodic Reporting Rule that it be confined to reports that have already been presented for use by postal management. In view of this ambiguity, and the tenuous demonstration of need for altering the time at which the rule would obtain this information, the Commission declines to include this change in the updated rule.

The Postal Service is required to file a number of reports with Congress to meet the requirements of chapters 24 and 28 of the Postal Reorganization Act. One is the Comprehensive Statement of Postal Operations, which includes an Annual Performance Plan, and annual Program Performance Reports. Another is the five-year Strategic Plan. The OCA proposes that these and all other reports that the Postal Service is required by the Act to provide to Congress be provided under the Periodic Reporting Rule as well. Id. at 3–4. The Commission declines to add reports to Congress to its Periodic Reporting Rules. The Commission prefers to restrict the rule to reports prepared for postal management. The Commission notes that these reports are all readily accessible on the Postal Service's Web site.

VII. Conclusion

For the reasons discussed above, the Commission hereby amends 39 CFR part 3001 (the Periodic Reporting Rules) as set forth below in this order. Any suggestion or request to modify the Commission's rules raised by any participant not specifically addressed herein is denied.

It is ordered: