Registration, recordation and related services	Fees ($)
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(9) Registration of a correction or amplification to a claim.	
(Form CA)	$130
(Form DC)	100
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Dated: April 21, 2014.

Maria A. Pallante,

Register of Copyrights.

Approved By:

James H. Billington,

Librarian of Congress.

[FR Doc. 2014–09822 Filed 4–29–14; 8:45 am]

BILLING CODE 1410–30–P

POSTAL REGULATORY COMMISSION

39 CFR Part 3050

[Docket No. RM2014–2; Order No. 2061]

Periodic Reporting

AGENCY: Postal Regulatory Commission.

ACTION: Final rule.

SUMMARY: The Commission is eliminating a requirement that the Postal Service prepare the annual cost and revenue analysis report in an alternative format. The reason for the change is that the alternative format's usefulness as an analytical tool has been overtaken by developments since passage of postal reform legislation in 2006. Adoption of this change means the Postal Service will prepare and submit only one version of this report.

DATES: *Effective* May 30, 2014.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202–789–6820.

SUPPLEMENTARY INFORMATION:

Regulatory History

73 FR 53324, September 15, 2008
74 FR 20834 May 5, 2009
78 FR 70904 November 27, 2013

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I. Introduction

On November 21, 2013, the Commission established this rulemaking docket to evaluate the Postal Service's petition [1] to eliminate that part of 39 CFR 3050.14 requiring the production and submission of an Alternate CRA (Cost and Revenue Analysis Report) as part of the Postal Service's Annual Compliance Report (ACR).[2]

Rule 3050.14 establishes the format for the CRA which reports costs, revenues, volumes, contribution, and other information reflecting the classification structure in the Mail Classification Schedule (MCS). 39 CFR 3050.14. The rule also requires an alternative, more disaggregated format (Alternate CRA) capable of reflecting the classification structure in effect prior to the adoption of the Postal Accountability and Enhancement Act (PAEA). *Id.* The Postal Service proposes striking the second sentence of rule 3050.14.

This order grants the Petition and, accordingly, amends rule 3050.14.[3]

II. Proposal

A. Postal Service Proposal

In support of its proposal, the Postal Service states that since passage of the PAEA, mail classifications have been combined and data systems no longer gather data for many of the Alternate CRA categories. Current data systems cannot always track data by the pre-PAEA categories, particularly cost data for many categories in the Alternate CRA. For example, the current methodology does not separate First-Class Package Service into Single-Piece and Presort parcels. Revenue, Pieces, and Weight (RPW) volumes are used and unit costs are assumed to be identical, which is not intuitive and not supported by actual data. Petition at 3.

According to the Postal Service, methods to estimate the data for the Alternate CRA were developed by disaggregating existing mail categories in order to reassemble the pre-PAEA classification results in estimation methodologies that vary by category. *Id.* As a result, the aggregation of cost data may not always match those developed via different estimation techniques, and data for some categories may not exist at all. *Id.* at 3–4.

The Postal Service further states that public and non-public versions of the Alternate CRA were filed initially, but as more parts of products have shifted to competitive products, of necessity only a non-public version has been filed. *Id.* at 2. Otherwise, a comparison of the market dominant information in the CRA with that in the Alternate CRA would make it possible to derive information about competitive products. For instance, the revenue, costs, and volume of First-Class Package Service and Lightweight Parcel Select in the Alternate CRA could be discerned when returned to and combined with existing data for First-Class Mail and Standard Mail. Also, the Alternate CRA has separate lines for negotiated service agreements (NSAs) that isolate the NSA data for First-Class Package Service. *Id.*

The Postal Service points out that the Alternate CRA provided a bridge for maintaining trend data through the transition so that no pre-PAEA categories were omitted and the integrity of the data reporting was maintained. *Id.* at 4. The Postal Service asserts that usefulness of the Alternate CRA is questionable because the information reported is the result of ratio analysis and guesstimates. *Id.* The Postal Service argues that the report is no longer relevant. *Id.*

The Postal Service also claims that the burden to produce the Alternate CRA is substantial and dependent on completion of all other ACR work. *Id.* at 4–5. The Postal Service is concerned that the relatively weak quality of the Alternate CRA material may reflect upon the quality of other ACR material. *Id.* at 5.

B. Public Representative Comments

Only the Public Representative filed comments.[4] The Public Representative points out that the CRA involves separating the Postal Service's accrued costs reported in its general ledger into cost segments which are further segregated into cost pools and distributed to products based on factors derived from data collection systems. PR Comments at 2–3. The Public Representative asserts that the Commission has noted the Alternate CRA format provided a helpful reference point as product lists were frequently refined in the first few years after passage of the PAEA. *Id.* at 3. As products are combined or morphed into new products, the link between

[1] Petition of the United States Postal Service for the Initiation of a Proceeding to Eliminate the Requirement for an Alternative Format CRA Report, November 15, 2013, at 1 (Petition).

[2] Order No. 1891, Notice of Petition for the Initiation of a Proceeding to Eliminate the Alternative Format CRA Report, November 21, 2013 (Notice).

[3] The Petition also requested a waiver of the requirement to file the FY 2013 Alternate CRA Report if the Commission anticipated that it might not be able to complete the rulemaking prior to the time by which preparation of the FY 2013 ACR was to be finalized. On December 18, 2013, the Commission granted the waiver request in order to fully evaluate amendment of Rule 3050.14 and any comments of interested persons. Order No. 1913, Order Granting Waiver of Filing FY 2013 Alternate CRA, December 18, 2013.

[4] Initial Comments of the Public Representative, January 7, 2014 (PR Comments). The order establishing this rulemaking provided for comments by interested parties no later than January 9, 2014 and reply comments no later than January 23, 2014. Notice at 4. No reply comments were filed.

historical and current classification is stretched and ultimately broken, making invalid the use of the initial factors to distribute costs. *Id.* The Public Representative notes that the Commission foresaw this possibility and allowed products with volumes insufficient to estimate costs to be footnoted with the reasons supporting the lack of a suitable proxy. However, the Public Representative notes that after 7 years, the reclassification of categories of products has not stabilized and has continued in fiscal years 2012 and 2013.

The Public Representative supports eliminating the Alternate CRA as having outlived its initial usefulness, but is concerned that the changing MCS will disrupt continuity of the data to calculate trends and analyze aberrations. *Id.* at 4. The Public Representative urges the Commission to consider whether the MCS remains in a state of flux and then decide upon the usefulness of the Alternate CRA in the longer run. *Id.*

C. Commission Analysis

Commission Order No. 104, which established the proposed rules for data reporting, noted that the Alternate CRA proposal should help ensure analytical consistency over time and give the Commission and interested parties the ability to track trends in the financial data and make it easier to identify and analyze anomalies.[5] The order also stated that the Alternate CRA should provide a particularly helpful reference point if the product lists under the PAEA undergo frequent refinement in the first few years of the new regulatory regime. *Id.* at 17.

In adopting rule 3050.14, the Commission noted that the purpose of the Alternate CRA was to report data in a way that can serve as building blocks to facilitate analysis of trends in postal finances and operations.[6]

The first filing of the Alternate CRA, both public and non-public versions, was included in the FY 2009 ACR. Beginning with the FY 2012 ACR, the Postal Service only filed a non-public version of the Alternate CRA, noting that the transfer of multiple market dominant products to the competitive product list would make it possible to use the Alternate CRA to derive information about competitive products.[7]

As noted above, the Postal Service cites several different reasons for the elimination of the Alternate CRA, including the inability of the data systems, especially the cost data systems, to develop data for several categories in the Alternate CRA listing, use of creative disaggregation of existing categories and classifications to reassemble the pre-PAEA classifications, and the substantial burden on the Postal Service to produce the Alternate CRA at the end of the ACR preparation time. *See* Petition at 3–5.

The Public Representative agrees that the existing lines between the historical and the current mail classifications are stretched thin and have probably reached their breaking point. PR Comments at 3. She recommends the Alternate CRA's elimination, noting that the format has outlived its usefulness but also cautions that, as the MCS continues to change, the ability to calculate trends and analyze aberrations is threatened. *Id.* at 4.

As more changes are made to mail classifications, the more difficult it is to realign volumes, revenues, and costs from the pre- and post-PAEA product offerings. In Order No. 104, the Commission recognized that there could be obstacles in disaggregating information and allowed the Postal Service to footnote where those obstacles might be. Order No. 104 at 17. The Commission also implied that there may be a finite time for the presentation of the Alternate CRA, indicating that the report would be useful for the first several years under the PAEA. *Id.* at 16.

As the Postal Service notes, the Alternate CRA served as a means for maintaining mail classification/rate category trend data during the transition to post-PAEA reporting requirements. Petition at 4. Over time, the increasing number of mail classification changes and product transfers has rendered the utility of Alternate CRA reported data problematic.[8] The Postal Service contends that the data reported are ''increasingly the result of ratio analyses, guesstimates and splits tied to shares from seven years ago.'' *Id.* at 4. Accordingly, the Postal Service argues that the Alternate CRA is no longer relevant. *Id.*

The Commission agrees. The relationship between pre- and post-PAEA rate categories and products has become tenuous at best. As a consequence, as argued by the Postal Service and the Public Representative, the Alternate CRA's usefulness as an analytical tool has been eclipsed. Therefore, the Commission will no longer require it to be filed with the ACR. Rule 3050.14 is modified accordingly.

III. Ordering Paragraphs

It is ordered:

1. The Postal Service's Petition is granted as set forth in the body of this order.

2. The Commission adopts the amendment to part 3050 of title 39, CFR that follows the Secretary's signature.

3. The amendment is effective 30 days after publication of this order in the **Federal Register**.

4. The Secretary shall arrange for publication of this order in the **Federal Register**.

List of Subjects in 39 CFR Part 3050

Administrative practice and procedure, Postal Service, Recordkeeping and reporting requirements.

By the Commission.

Shoshana M. Grove,

Secretary.

For the reasons stated in the preamble, under the authority at 39 U.S.C. 503, the Postal Regulatory Commission amends 39 CFR part 3050 as follows:

PART 3050—PERIODIC REPORTING

■ 1. The authority citation for part 3050 continues to read as follows:

Authority: 39 U.S.C. 503, 3651, 3652, 3653.

■ 2. Section 3050.14 is revised to read as follows:

§ 3050.14 Format of the Postal Service's section 3652 report.

The Postal Service's Cost and Revenue Analysis (CRA) report shall be presented in a format reflecting the classification structure in the Mail Classification Schedule.

[FR Doc. 2014–09770 Filed 4–29–14; 8:45 am]

BILLING CODE 7710–FW–P

[5] Docket No. RM2008–4, Notice of Proposed Rulemaking Prescribing Form and Content of Periodic Reports, August 22, 2008, at 16–17 (Order No. 104).

[6] Docket No. RM2008–4, Notice of Final Rule Prescribing Form and Content of Periodic Reports, April 16, 2009, at 24–25 (Order No. 203).

[7] Docket No. ACR2012, Library Reference USPS–FY12–9, at 87.

[8] The transfer of market dominant products to the competitive product list also caused the Postal Service to eliminate the public version of the Alternate CRA to preserve the confidentiality of competitive product data. *Id.* at 2. Questions about the relevance of the data reported aside, this development further diminishes the utility of the Alternate CRA.