

POSTAL REGULATORY COMMISSION (PRC)

Statement of Regulatory Priorities

The Postal Accountability and Enhancement Act (PAEA) was signed into law on December 20, 2006. This law gives the Postal Service additional tools to meet the challenges of changing markets, and a new authority to price its own products. It reaffirms the Postal Service's role as a government service whose primary mission remains providing universal postal services at affordable rates. Among other things, the PAEA re-established the Postal Rate Commission as the Postal Regulatory Commission (PRC or Commission). The PAEA gave the Commission enhanced responsibilities and authority to meet the challenges of the new law. It is the intention of the Commission to use its enhanced authority to ensure accountability and transparency of the Postal Service to the public it serves.

In fiscal year 2009, the Commission continues its comprehensive review of its current regulations to ensure alignment with the PAEA. Toward that end, many of its regulations will be rewritten to comply with the mandates of the PAEA. The Commission's principal regulatory priorities for fiscal year 2009 are (1) to develop and establish periodic reporting requirements to support annual reports; (2) to develop and establish regulations related to commercially sensitive documents submitted to the Commission; (3) to develop revised procedural rules for handling complaints; and (4) to develop rules establishing the accounting practices and principles to govern the operation of the Postal Service's Competitive Products Fund and for determining the assumed Federal Income Tax on competitive products' income. The Commission, in connection with the Postal Service's stakeholders, has begun meeting these challenges and will continue to do so well into fiscal year 2009.

The 1 Actions Described in the Regulatory Plan

| Title | Regulation Identifier Number | Rulemaking Stage |
|-------------------------------------|------------------------------|------------------|
| Accounting Practices and Principles | 3211-AA04 | Final Rule Stage |

Postal Rate Commission (PRC)

RIN: 3211-AA04

 [View Related Documents](#)**Title:** Accounting Practices and Principles

Abstract: Section 401 of the Postal Accountability and Enhancement Act requires the Secretary of the Treasury to develop recommendations for accounting practices and principles that will govern the operation of the Postal Service's Competitive Products Fund and the determination of an assumed Federal income tax to be imposed on competitive products' income. On December 19, 2007, the Secretary of the Treasury submitted the report and its recommendations to the Postal Regulatory Commission concerning accounting principles and practices for the operation of the Postal Service's Competitive Products Fund and the determination of an assumed Federal income tax to be imposed on competitive products' income. Title 39 U.S.C. § 2011(h) requires the Commission to give the public the opportunity to comment on that report and tasks it with the responsibility to develop regulations to establish the accounting practices and principles to govern the operation of the Competitive Products Fund and rules for determining the assumed Federal income tax on competitive products' income. This regulation will fulfill the Commission's statutory responsibility to prescribe rules and regulations concerning accounting principles and practices for the operation of the Competitive Products Fund and the determination of an assumed Federal income tax on competitive products' income.

Priority: Economically Significant**Agenda Stage of Rulemaking:** Final Rule**Major:** No**Unfunded Mandates:** No**CFR Citation:** 39 CFR part 3060 (To search for a specific CFR, visit the [Code of Federal Regulations](#).)**Legal Authority:** 39 USC 2011(h)(2)

Legal Deadline: Pursuant to section 2011(h)(2)(B)(ii), the final regulations are to be issued within 12 months of the date Treasury submitted its recommendations or such later date as agreed to by the Commission and the Postal Service. Treasury submitted its report on December 19, 2007.

| Action | Source | Description | Date |
|--------|-----------|---|------------|
| Other | Statutory | Statutory deadline for issuance unless extended by agreement of Postal Service. | 12/18/2008 |

Regulatory Plan:

Statement of Need: Establishing the accounting practices and principles to govern the operation of the Postal Service's Competitive Products Fund and determining the assumed income tax on competitive products' income is required by the Postal Accountability and Enhancement Act. Congress tasked the Postal Regulatory Commission with the job of implementing those practices and principles. These regulations are the Commission's implementation of that Congressional directive.

Legal Basis: Title 39 U.S.C. 2011(h)(2) requires the Postal Regulatory Commission to issue regulations to establish (1) the accounting practices and principles to be followed by the Postal Service relating to the operation of the Competitive Products Fund, and (2) rules for determining the assumed Federal income tax on competitive products' income.

Alternatives: There are no alternative methods of complying with the requirements of 39 U.S.C. 2011(h)(2) other than by issuing regulations.

Costs and Benefits: The accounting practices and principles and the determination of an assumed Federal income tax on competitive products' income are expected to help ensure that a level playing field exists for the Postal Service and its competitors with respect to competitive products.

Risks: There are no known risks to this regulatory action.

Timetable:

| Action | Date | FR Cite |
|--------------------------------|------------|-------------|
| ANPRM | 02/01/2008 | 73 FR 6081 |
| ANPRM Comment Period End | 04/01/2008 | |
| ANPRM Reply Comment Period End | 05/01/2008 | |
| NPRM | 09/19/2008 | 73 FR 54468 |
| NPRM Comment Period End | 10/20/2008 | |
| NPRM Reply Comment Period End | 11/03/2008 | |
| Final Action | 12/00/2008 | |

Regulatory Flexibility Analysis Required: No

Government Levels Affected: Federal

Federalism: No

Energy Affected: No

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Public Comment URL: www.prc.gov

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