

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

REPLY IN OPPOSITION OF THE UNITED STATES POSTAL SERVICE TO  
THE MOTION TO COMPEL OF DAVID B. POPKIN. (DBP/USPS-91, 94)  
(July 10, 2006)

On June 19, the Postal Service objected to the following interrogatories of David B. Popkin, filed on June 8, 2006: DBP/USPS-91, 94. Mr. Popkin filed a motion to compel on July 3. The Postal Service hereby opposes that motion.

DBP/USPS-91

The question reads:

- DBP/USPS-91. Section 313.1b of the Postal Operations Manual [POM] states, "Arrange schedules consistent with requirements of the local community and timely handling of mail at the processing point." Sections 321 through 326 provide detailed requirements for collection boxes. For example, Section 322.231 requires Time Decal Boxes to have two collections Monday through Friday with the last collection at 5 PM or later.
- [a] May a local post office provide a condition [such as a 4 PM last weekday collection in front of the post office] where compliance of the detailed requirements covered in Sections 321 through 326 is not met by stating that the condition is necessary to meet the general requirements of Section 313.1b?
- [b] If so, please discuss the reasons for this action.
- [c] Please confirm, or explain if you are unable to confirm, that the requirements of Part 3 of the POM are mandatory at all city delivery offices as noted in Section 311.
- [d] Please advise any sections of Part 3 of the POM that are not 100% mandatory due to changes in policy such as Section 322.233 which relates to Sunday collections.
- [e] When will Part 3 of the POM be updated to cover any items covered in response to subpart d?

In arguing that DBP/USPS-91 is relevant and material, Mr. Popkin labors under a

fundamental misapprehension regarding how consideration of value of service enters into rate proceedings. He claims that if “the service levels are relevant, then the conditions under which they have to be achieved are equally relevant.” Exactly what he means by this is not clear. But what is clear is that, in a rate case, the only relevant aspect of collection service is its effect on actual value of service, and that is a function only of the actual level of collection service. In other words, *what* the actual level of collection service is may be relevant, but *why* collection service happens to be at that level is not relevant. While a service case may explore service issues more deeply, a rate case takes current service levels as a given, and inquires only whether the given relative service levels suggest higher or lower recommended rates for particular subclasses or services.

The POM is basically an internal postal document. Thus, matters such as the interrelationship between various provisions of the POM, or whether the POM has been updated to reflect current service levels (e.g., the fact that routine Sunday collection and processing were eliminated in 1988), are totally extraneous to relative value of service issues that might actually have an effect on recommended rates. Even more farfetched is the conceivable relevance of a question such as when the POM might be updated in the future. When (or whether) the POM is updated would have no effect on the actual level of collection service, and perforce no effect on recommended rates. Mr. Popkin’s claimed need to explore the intricacies of the POM as a prerequisite to evaluation of actual value of service does not withstand even minimal scrutiny. His motion to compel DBP/USPS-91 should be denied.

DBP/USPS-94

The question reads:

With respect to the stamped letter sheets [Disney and Garden Bouquet] that are the subject of Docket C2004-3,  
[a] Please advise the number of each of the two items that were printed.  
[b] Please advise the cost for each of the two items. Please describe in detail how the cost was calculated and the items that are included in the cost data and their source.

Mr. Popkin's attempt to support his motion to compel an answer to these questions is as follows:

The Postal Service claims that this Interrogatory is irrelevant to the issues before the Commission in Docket No. R2006-1. Just because this matter is before the Commission in another Docket does not change its relevance in this Docket. The Postal Service has long provided cost data on the printing of stamps and stamped stationery. Recently, it was provided in response to Docket R2005-1 Interrogatory OCA/USPS-186. This is valid cost data and is required to ensure that there is no cross subsidization.

This argument completely fails to support a motion to compel. The Postal Service's objection that the interrogatory lacks relevance is not predicated on the existence of another docket. The questions would be irrelevant regardless. Moreover, a citation to one interrogatory does not establish either a longstanding practice, or the relevance of the question to the issues before the Commission here. In addition, although his argument addresses printing costs, the question is not so limited, and he fails to support a need for a detailed breakdown of the costs. Finally, Mr. Popkin fails to explain how simply having cost data for these two particular issuances alone would "ensure there is no cross subsidization."

Mr. Popkin has failed to meet his burden of explaining how, and not just alleging that, the information he seeks bears on any of the issues the Commission will need to

decide in the instant docket. His motion to compel a response to DBP/USPS-94 should therefore be denied.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Eric P. Koetting

### **CERTIFICATE OF SERVICE**

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

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Eric P. Koetting

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