

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

OBJECTION OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE OCA (OCA/USPS-100 - 108)
(November 27, 2006)

The United States Postal Service hereby objects to the following interrogatories of the OCA, filed on November 15, 2006: OCA/USPS-100 – 108.

These questions (reproduced in an attachment to this pleading) all relate to information from or regarding the Delivery Office Information System (DOIS), which contains a variety of data on city carrier operations. Fundamentally, these questions are not timely, and, because they cannot lead to the production of evidence admissible in this docket, do not represent an intended use of discovery procedures. General discovery against the Postal Service ended on July 14. See Presiding Officer's Ruling No. R2006-1/12 (June 30, 2006). Although, as noted on page 3 of that ruling, "the deadline for initial discovery does not curtail the availability of germane follow-up, or questions to acquire additional information necessary for the development of direct or rebuttal evidence," such exceptions to the discovery deadline are limited to those purposes enumerated by the Presiding Officer. The OCA's questions 100 through 108 do not fall within any of the stated exceptions.

Indeed, with exceptional candor, the OCA acknowledges in the cover sheet accompanying its questions that its purpose in seeking the requested data is to get a head start in upcoming proceedings, either future rate cases, or an informal rulemaking.

The OCA makes no pretense that it is seeking the requested data for any possible use in this proceeding, which, of course, given the timing, would lack any semblance of credibility anyway. What the OCA apparently fails to recognize, or simply chooses to ignore, however, is that the objective it has espoused plainly puts its questions outside the purview of the very portion of the Commission's Rules that it seeks to invoke. The OCA's pleading begins "Pursuant to Rules 25 through 28 of the Rules of Practice" Yet Rule 25 (Discovery – General Policy) itself begins with the following:

Rules 26 through 28 allow discovery reasonably calculated to lead to admissible evidence during a noticed proceeding.

The OCA's request is not in accord with Rule 25. Simply stated, it is an abuse of the discovery process to seek information for purposes other than potentially placing that information (or information derived from it) into evidence during the proceeding in which the request is submitted. On that basis alone, the Postal Service objects to the OCA's DOIS requests in their entirety.

The Postal Service's objections, however, extend well beyond due process notions that appropriate discovery must be timely, and limited to the purposes for which discovery was intended. In very practical terms, the burden associated with providing the requested information would be monumental, and the Postal Service's proprietary interest in protecting what amounts to a completely disaggregated nationwide city delivery carrier time and volume database, as well as potential internal analyses of that database, should be obvious.

In terms of undue burden, the Postal Service estimates that responding just to parts a. and c.-f. of Question 100 alone would consume nearly 1300 work hours (essentially well over one-half of a entire work year), would take 28 calendar weeks to

accomplish, and would cost the Postal Service nearly \$90,000. That amount of money represents an estimate just of payments to the outside contractors who would do the actual programming to generate the requested DOIS information. To get an idea of the magnitude of this data request, it is estimated that the DOIS volume and scan data for all routes requested in Question 100 would consist of over 180 million rows of records, requiring nearly 100 Gigabytes of storage space. In total, we are talking about something in the neighborhood of 200 CDs to transmit this amount of data.

It must be emphasized that these estimates relate solely to the production of what would amount to raw data. It does not include any estimate of the burden involved in attempting to convert such data into a format that would allow useful analysis. The Postal Service has no such estimate, primarily because the Postal Service has not identified any such procedure. The sheer size of the data set requested raises serious technical issues about the platform on which the data could be analyzed. Given a 2 Gigabyte limit on Microsoft files, it is unclear that, as a practical matter, the amount of DOIS information requested could be comprehensively analyzed on anything smaller than a mainframe. The ramifications of these circumstances are fairly stark. The burden identified above, in terms of hours, weeks, and dollars, would be totally wasted if the result were a database which effectively eludes manipulation because of its size. On the other hand, if additional steps were feasible to convert such a database into something that could be analyzed, the burden of performing those steps is not reflected in the above estimates, and would need to be estimated and added. Without some type of additional effort, however, it appears that the value gained from all of the resources expended to respond to those parts of question 100 could easily turn out to be zero.

Question 108, regarding nationwide information on ZIP Code reconfigurations in the three year period of FY04-FY06 would also require an undue burden to respond, although, once again, it is difficult to quantify that burden. While certain of the questions (e.g., 104, 105) perhaps could be answered with considerably less burden, by the same token, there is no compelling need for those questions to be posed now, rather than at some appropriate point in the future. (Additionally, in terms of evaluating the instant request, there is no reason why such questions could not have been posed before July 14, in a time frame in which the OCA was already seeking, and obtaining, substantial information about DOIS during the general rate case discovery period for use in this case. The OCA may not appropriately use late discovery to patch up gaps in its direct case, when there is no other intervenor whose direct testimony can be rebutted.)

In terms of privilege, the OCA is seeking both disaggregated volume and labor hour information on virtually every city delivery carrier route in the country. If one wonders whether disclosure of such information is in accord with good business practice, one need only consider whether UPS or FedEx would likely see fit to put comparable information regarding their delivery businesses into the public domain. The question answers itself. And while the request suggests in places that ZIP Codes could be masked, the variety of ZIP Code characteristic information sought in question 101(b) ensures that any competent analyst would have no trouble whatsoever matching masked ZIP Codes with actual ZIP Codes.

Other portions of the requested material may be sensitive for other reasons. Information residing in DOIS may become the object of contention in labor relations disputes. Such sensitivities may apply to materials requested in questions 101 and 102.

Question 103 requests DOIS procedures and practices that constitute valuable intellectual property, which the Postal Service has spent considerable resources developing. Simply dumping such material into the public domain could potentially do irreversible harm to the Postal Service's intellectual property rights. In fact, multiple patent applications regarding DOIS are currently pending. Perhaps without intending so consciously, the OCA, as a practical matter, is requesting that the Postal Service blithely convert an internal operating data system, into which the Postal Service has invested enormous amounts of time, money, and energy for its own purposes, into a public resource over which the Postal Service would no longer be able to exercise substantial control. Obviously, rather than passively allow such conversion of its property, the Postal Service is obligated to object.

As indicated above, the OCA's request is, under the applicable rules, too late. Perhaps ironically, in another respect, an equally glaring deficiency is that it is too early. The OCA's cover sheet cites the Commission's intention to ask all interested parties "to contribute ideas and insights into the direction that future data collection and modeling of city carrier street time costs should take." Order No. 1482 (November 8, 2006) at 6. To risk mixing metaphors, the OCA is both jumping the gun, and putting the cart before the horse. The OCA asserts that "a limited DOIS dataset" has been "extremely valuable," yet as discussed at substantial length in the rebuttal testimonies of Prof. Bradley (USPS-RT-4) and witness Crowder (MPA et al.-RT-1), filed since the OCA submitted its request, its assessment of the utility of its analysis of the DOIS data is not shared by all. One could more convincingly argue that, since the OCA has failed to produce any useful results from its earlier attempts to employ DOIS data, there is every

reason to be skeptical of the utility of providing, by several orders of magnitude, even greater amounts of DOIS information. None of the deficiencies that witnesses Bradley and Crowder found in OCA's DOIS analyses can be fixed by simply adding more DOIS data to these analyses.¹

Equally important, as noted above, responding to the OCA's request would consume major amounts of postal resources. Yet the resources available to examine city carrier costing issues are finite. It would be grossly premature to allow the OCA unilaterally to direct the expenditure of scarce resources, before anyone else has even had an opportunity to present their own views on the best prospects for future data collection and research, much less explore the potential for an alternative consensus. Common sense dictates that, if disagreements are possible about the appropriate avenue forward, careful deliberation be given to the path chosen, *before* time and

¹ In the past two years, the Postal Service has already provided four large and complex data sets on city carrier street time: The CCSTS data set submitted in Docket No. R2005-1, the DOIS extract submitted in Docket No. R2005-1 in response to an OCA discovery request, the FY2004 survey data submitted in Docket No. R2006-1 in response to a POIR, and another extremely large DOIS extract provided in Docket No. R2006-1, also submitted in response to an OCA discovery request. This is an extraordinary amount of data associated with one cost segment, and much of the data have yet to be carefully analyzed. Thus, the OCA's request for yet another large and expensive set of carrier street time data is neither timely nor persuasive. The OCA has completed, at best, a preliminary investigation of the two DOIS data sets already provided by the Postal Service. It has not reported any analysis of the DOIS data set provided in Docket No. R2005-1 and has provided only a preliminary and flawed analysis using the data provided in Docket No. R2006-1. It is telling that the OCA's testimony in this case did not provide any analysis or explanation of the DOIS data, but just regression equations. This shows that there is much additional work to be done with existing data before an effective additional data request can be formulated. Good research practice requires an analyst to thoroughly and carefully analyze existing data before formulating a request for additional data. It is as if the OCA collected data in a beta test, and then specified the full data request without carefully reviewing the data from the beta test.

money are spent charging in the direction of a destination which may not be the appropriate one.

The requests for DOIS information posed in OCA/USPS-100 – 108 are acknowledged by the OCA to be outside of the intended scope of rate case discovery. Production of the requested data would be unduly burdensome, and would jeopardize the Postal Service's proprietary interest in a number of ways. These questions represent yet another ill-conceived attempted "data grab" on the part of the OCA, in pursuit of a data set which potentially might be of no practical value. The Postal Service objects on the grounds articulated above.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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OCA/USPS-100. This is a request for data from the Delivery Operations Information System (DOIS) database by ZIP/Route/Day of Week. Data are requested for two distinct sets:

- Data for all ZIP codes and routes identified in USPS-LR-L-180. Data are requested on a daily basis for the time period October 1, 2003, through, and including, September 30, 2006.
- Data for **all** City Carrier Delivery Routes in the postal network (within their corresponding ZIP codes), for the time period October 1, 2003, through, and including, September 30, 2006. Please omit special purpose routes.

The following data items are requested:

(a) Route Characteristics

- Route Number (this may be encoded)
- Delivery Mode, where
 - C = curbline
 - F = foot
 - P = park & loop
 - D = dismount
 - O = other
 - X = delivery mode not reported
- Classification of delivery points by type of delivery point.
 - Number of residential curbline possible delivery points
 - Number of residential NDCBU possible delivery points
 - Number of residential centralized possible delivery points
 - Number of residential "other" possible delivery points
 - Number of business curbline possible delivery points
 - Number of business NDCBU possible delivery points
 - Number of business centralized possible delivery points
 - Number of business "other" possible delivery points
- Whether a route has a specific carrier assigned to it.
- Number of carriers delivering the mail on the route for each particular day.
- Route vehicle mileage

(b) ZIP Code Characteristics

- ZIP Code (this may be encoded)
- Population
- Units - Total housing units

- Land - Square miles of land area
- Water - Square miles of water area

(c) Delivery Dates

Please provide the delivery dates; also:

- Please identify each date that falls on a Sunday.
- Please identify each date that is a Postal Service holiday, i.e., when mail is not delivered.
- Please identify each route that is a business route.
- Within the set of business routes, please identify each route that does not receive Saturday delivery.

(d) Time Data

- (Managed Service Point) MSP Scan data
 - Scan for Hot Case
 - Scan for first route delivery point
 - Scan for last route delivery point
 - Scan for re-entry to delivery office
- Street Hours (from the Time and Attendance Control System (TACS)), as measured by
 - Clock out to street
 - Clock back in from street

(e) Mail Volumes

- Total Delivery Point Sequenced Mail
- Automated flats
- Automated letters
- Cased flats
- Cased Letters
- Parcels
- Priority Mail
- Sequenced flats, pieces
- Sequenced flats, number of sets
- Sequenced letters, pieces
- Sequenced letters, number of sets

- (f) Please provide definitions, or documentation references for the definition, for each variable provided. Identify all abbreviations or codes used in the database

for each variable, i.e., state exactly what type of data is represented by each abbreviation, code, or label.

OCA/USPS-101. Has the Postal Service conducted, or does the Postal Service have available, any studies, analyses, reports, or discussions addressing difficulties or problems in collecting, measuring, standardizing, cleaning, or processing Delivery Operations Information System (DOIS) data? If the answer is affirmative, please provide all such materials. Also, identify and describe any changes made by the Postal Service to ensure that the difficulties were eliminated or reduced.

OCA/USPS-102. Has the Postal Service conducted, or does the Postal Service have available, any critiques and/or analyses of the usefulness and reliability of Delivery Operations Information System (DOIS) data? If the answer is affirmative, please provide the analyses and studies.

OCA/USPS-103. Please provide a description of the USPS standardization, quality control procedures, and data/information correction and manipulation procedures that are applied to the Delivery Operations Information System (DOIS) data. Please describe whether and/or how the procedure(s) have changed over time.

OCA/USPS-104. Please describe the extent to which the Delivery Operations Information System (DOIS) database observations for data items normally collected are either not collected or are subsequently eliminated by quality control efforts, resulting in entries that are zero or blank.

- (a) How does one know when zero time or zero volume data for a route-day are due to a non-delivery day?
- (b) How does one know when zero time or zero volume data for a route-day are due to failure to collect the data?
- (c) How does one know when zero time or zero volume data for a route-day are due to correction and subsequent elimination of the data item(s)?

OCA/USPS-105. Excluding special purpose routes, if a ZIP code is represented in the Delivery Operations Information System (DOIS) data, does the Postal Service attempt to collect DOIS data for routes and carriers for all days in that ZIP code? If the answer is negative, please explain.

OCA/USPS-106. For each of the mail volumes collected by the Delivery Operations Information System (DOIS) (e.g., DPS, automated letters, etc.) please state who collects and measures the volume (i.e., the letter carrier making a physical count, the delivery supervisor making a physical count, a sorting machine read by a manager, tubs of mail converted by someone into piece counts, etc.) and at what stage of the mail processing/distribution chain the data are collected (e.g., at the MODS facility, at the distribution facility, etc.). Have there been any changes in how the volumes are collected? If so, please describe all such changes and give the dates (approximate dates are acceptable) for such changes.

OCA/USPS-107. Does the Delivery Operations Information System (DOIS) consistently include a zeroed observation for each Sunday and holiday?

- (a) Please explain.
- (b) Please explain how one can determine when zero Saturday observations are errors and when they occur simply because the observations are for business routes that are not delivered on Saturdays.
- (c) Please provide (or describe) the instructions given to delivery supervisors on how to enter Saturday data. If a route is not delivered on a Saturday (such as a business route), how should a delivery supervisor notate that in DOIS?
- (d) Please provide (or describe) the instructions given to delivery supervisors on how to treat Sundays when entering data in DOIS.
- (e) Please provide (or describe) the instructions given to delivery supervisors on how to treat postal holidays in DOIS. For purposes of this question, a postal holiday is defined as one that would normally be a delivery day, but for the holiday (i.e., no mail is delivered).

OCA/USPS-108. Have any ZIP codes been re-configured during the time period 10/1/03 through 9/30/06 within the strata referenced by witness Kelley in R2005-1?

- (a) Assuming that the response is affirmative, please provide a listing of ZIP code changes (encoded) by strata and explain the nature of the change.
- (b) Please provide a listing of new ZIP codes that were added to the postal network during the period 10/1/03 through 9/30/06.
- (c) Please provide a comprehensive list of **all** ZIP code re-configurations that took place during the period 10/1/03 through 9/30/06 (for ZIP codes that had one or more city carrier routes). Explain the nature of the re-configurations.

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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