

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

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OFFICE OF THE SECRETARY

Complaint on Sunday
and Holiday Collections

Docket No. C2001-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
IN OPPOSITION TO THE CARLSON MOTION TO COMPEL REGARDING
DFC/USPS-51 & 53
(July 18, 2001)

On July 11, 2001, Douglas Carlson filed a motion to compel responses to DFC/USPS-50 & 53. The Postal Service had filed objections regarding those items on June 28. Mr. Carlson now moves to compel, and the Postal Service hereby opposes his motion.

DFC/USPS-50

This item requests identification, within the subset of plants for which zero cancellation volumes were reported in LR-2 for any holiday in 2000 and 2001, of those plants that sent their mail to another plant for processing on the holiday, and a further identification of the plants to which their mail was sent. Such information would allow more accurate representations to be made, regarding the service areas that did not receive outgoing mail service on each holiday, than could be made based exclusively on the information already provided in LR-2. Presumably, mailers within a service area are indifferent as to the plant in which their mail is processed. In effect, this item requests the Postal Service's holiday consolidation plans for each area for each holiday in 2000 and 2001.

The motion first argues that cancellation volume may be a reasonable proxy for

customer need for outgoing mail processing on holidays. Motion at 1-2. As already stated in several recent pleadings, including the objection to the instant interrogatory, the Postal Service strongly disagrees with that assertion. The mere presence of mail volume in the system on a holiday is no more indicative of a "customer need" for mail processing on that day than it is of a "customer need" for delivery on that day. Disagreement on this issue constitutes the fundamental matter in genuine controversy at this stage of the proceeding. Nothing that Mr. Carlson seeks in this question will aid in the resolution of that disagreement. Consequently, the Postal Service's objection that the data sought are immaterial should be sustained.

But for purposes of argument, let us take Mr. Carlson at his word, when he states that he intends "to argue that high cancellation volumes on holidays indicate a need for outgoing mail processing . . ." Motion at 2. Even if that were the case, Mr. Carlson has failed to explain why the information regarding cancellation volumes on the national level, made available on June 28 in the supplemental response to DFC/USPS-10, does not fulfill his alleged need for cancellation volumes. Mr. Carlson uses as an example the situation in Brooklyn NY on the Martin Luther King Jr. holiday. See Motion at 3-4. His complaint is that, with only the information in LR-2, he cannot determine whether Brooklyn, after consistently cancelling mail on the King holiday in prior years, reported zero cancellation volume in 2000 and 2001 because outgoing mail from Brooklyn was not cancelled on that day at all, or because it merely was cancelled somewhere other than Brooklyn. The supplemental information provided on June 28 in response to DFC/USPS-10 shows why it simply does not matter.

The second page of that material provides for each year total national

cancellation volumes on the King holiday as a percentage of total national cancellations on an average day in FY 2000. (The first page shows the absolute volume amounts.) After holding steady at 43-45 percent from 1995-1998, cancellations on the King holiday fell to 39 percent in 1999, 36 percent in 2000, and 31 percent in 2001. One possibility, of course, is that substantially less mail was deposited on the King holiday in years after 1998. While some reduction in deposits perhaps cannot be ruled out, and may explain some of the reduction in reported cancellations, it seems unlikely that reductions in deposits fell so sharply after 1998, with so little variation observed before that year. The data strongly suggest that the level of outgoing mail processing activities conducted on the King holiday more recently is lower than it was in earlier years.

At the nationwide level of aggregation, moreover, these percentages are totally unaffected by the existence of, or annual variations in, holiday consolidation plans. Whether the areas affected by the reduced level of activity include Brooklyn is irrelevant. Brooklyn may have been one of the areas recently affected by reduced holiday activity, as the information in LR-2 would appear to suggest. On the other hand, if full investigation of holiday consolidation plans for mail processing established that mail in Brooklyn was forwarded to another plant, that would simply mean that the effects of the recent reductions were incurred somewhere else, or someplace other than in cancellations.

More generally, variations in outgoing holiday processing are nothing new. The data in LR-2 are replete with examples of how the different holidays are handled differently in different years in different areas, in the same years in different areas, and in different years in the same area. There are likewise examples of how the same

holiday is handled differently in different years in different areas, in the same years in different areas, and in different years in the same area. Given the inherent amount of fluctuation in holiday operational activity, it is unclear why more recent fluctuations, even when exhibiting an observable trend, would necessarily be deemed to be of particular significance. From the perspective of typical mailers, there are no indications that any of these fluctuations have had, or should have had, any impact on their perceptions regarding holiday mail service.

Implicit in the motion is the notion that service adequacy needs to be measured by the number of service areas that received holiday processing, either directly or via consolidation. It is only to improve the accuracy of that specific measurement that Mr. Carlson can assert the utility of the consolidation information he is seeking. But Mr. Carlson himself correctly identifies within his own motion (footnote 5) the inherent flaw in such an approach. The mere fact that a plant cancelled mail every year does not mean that the overall level of outgoing service was equivalent every year, as long as variations are possible in the level of collection activity. Once again, the national numbers are indicative of overall activity, regardless of consolidations, and regardless of whether variations occurred in processing or collections. Mr. Carlson is seeking information that is demonstrably less useful than the information that he already has.

The information he seeks, moreover, is not available without the imposition of an undue burden. The motion seems to suggest that the burden could be reduced by constructing a spreadsheet to aggregate information "upon receiving each response from the field." Motion at 5-6. Certainly organizing the information received from the field into a coherent response would be a significant part of the burden involved, and a

spreadsheet may or may not assist in that task.

But the motion ignores the far more significant burden involved in obtaining those responses from the field. Somebody has to devise and implement a strategy to get the information request to personnel at the appropriate field level to respond. Somebody has to be prepared to respond to requests for clarification from the field units as they struggle to understand exactly what is requested and to locate it. Somebody has to figure out which areas have supplied all of the requested information, which have supplied some of the information, and which have supplied none. Deficiencies must be identified and, as necessary, follow-up efforts must be initiated. The obstacles to obtaining this information are not insurmountable, but they are not insubstantial either. The Postal Service stands by its estimate that, in addition to the many hours of work at field units, many days of work at the Headquarters level, over a period of several weeks, would likely be necessary to develop a comprehensive and complete response.

The time required to prepare such a response would be better spent in other ways. As shown above, the information obtained simply would not add anything particularly useful to the body of material already provided. The motion to compel a response to DFC/USPS-50 should be denied.

DFC/USPS-53

The question reads as follows:

DFC/USPS-53. Please provide all reports, studies, literature, and other documents in the possession of Postal Service marketing staff or other staff that describe, either in specific terms or general conceptual terms, the number of times that an advertising or other message should run, and the frequency with which it should run, in order to reach particular or desired percentages of the audience, as well as the number of media

outlets in which an advertising message should run in order to reach particular or desired percentages of the population.

In the motion to compel, Mr. Carlson withdraws the request for "literature."¹ The question refers to "advertising or other message" and again to "advertising message." To cut to the chase, if the question had referred to "public service information message," the Postal Service would have been willing to respond. There are a limited number of people with the job of handling public service information messages, at least at the Headquarters level, and the Postal Service could readily have obtained a response from them.

Mr. Carlson insists, however, that "[a]dvertising evidence is probative of the effectiveness of the Postal Service's communication strategy for announcing holiday service changes." Motion at 9. He cites no authority, however, either from the field of advertising, or from the entirely distinct field of public and media relations, that would lend any credibility to that assertion. Consider his earlier statement that "[t]he underlying principle is the observation that a single announcement in a single media source is not likely to reach a substantial portion of the population." Motion at 8. That principle, however, whatever its applicability to product advertising, is not necessarily applicable to public service announcements.

Take as an example the Washington Post and the Fourth of July holiday. If no other media had reported the starting time for the Fourth of July fireworks on the Mall,

¹ Having formally abandoned that line of inquiry, however, he cannot pass up the opportunity to spend a page explaining why the portion of the Postal Service's objection that essentially amounted to an objection to doing a literature search for him should not be sustained. See Motion at pages 10-11.

the schedule published in the Washington Post on July 4th would have been completely adequate to provide that information to "a substantial portion of the population." When people are already seeking information for their own purposes, and know where to look for that information, the necessary communication strategy to convey that information to them is entirely different than when the purpose is to advertise products.² People in any large city go to the newspaper on holidays to find out whether streets are closed, whether garbage will be collected, whether parking restrictions apply, and whether post offices are open. The varying advertising strategies that commercial enterprises might employ -- to promote laundry detergent, automobiles, perfume, industrial products, electronic gadgets, widgets, or any other conceivable goods or services -- address completely and utterly different issues.

Not only is information about advertising strategies irrelevant, but the burden associated with obtaining such information would be different as well. There are a wide variety of personnel in the Postal Service, and even at Headquarters, working on matters with potential overlap to product development and product marketing. To attempt to contact the universe of individuals that might have reports, studies, or documents that touch upon advertising frequency and targeting as elements of advertising strategy would be enormous. Once again, weeks of effort would be involved in any such undertaking.

² In the postal context, the fundamental distinction between the role of advertising in our culture and the role of other information is at the core of the Paid Subscriber rule that governs general eligibility to mail at Periodical rates.

Finally, if any documents relating to advertising strategies were located, there could easily be concerns of commercial sensitivity. The Postal Service is quite reasonably unwilling to publically disclose advertising strategies specifically developed for new or existing competitive products. In terms of general information, moreover, if the Postal Service has expended resources to have research conducted on the most effective ways to advertise, there is no reason why its competitors should be able to obtain the fruit of those efforts. All of this information, of course, would have absolutely no bearing on the issue in this case.

Mr. Carlson has chosen to formulate DFC/USPS-53 as a sweeping request for information that is irrelevant, that would be unduly burdensome to identify, and that could entail issues of commercial privilege. His motion to compel a response should be denied.

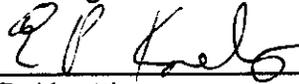
Therefore, the Postal Service respectfully requests that the motion to compel responses to DFC/USPS-50 and 53 be denied.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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July 18, 2001

CERTIFICATE OF SERVICE

I hereby certify that, in accordance with section 12 of the Rules of Practice, I have this day served the foregoing document upon:

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