

ORIGINAL

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-5003

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

SPECIAL SERVICES REFORM, 1996

Docket No. MC96-3

OBJECTION OF THE UNITED STATES POSTAL SERVICE TO OFFICE OF THE
CONSUMER ADVOCATE INTERROGATORIES OCA/USPS-48, 53(b) and (c), 56(c),
AND PARTIAL OBJECTION TO OCA/USPS-54(b) and (e)
(September 3, 1996)

The United States Postal Service hereby objects in full to Office of the Consumer Advocate interrogatories OCA/USPS-48, 53(b) and (c), 56(c), and, in part, to OCA/USPS-54(b) and (e), filed on August 22, 1996. All interrogatories are objected to on the grounds of relevance; some are also objected to based on proprietary and confidentiality concerns. Each interrogatory and the specific objections here to (are) discussed below.

OCA/USPS-48 concerns Library References SSR-1 and SSR-23, The Summary Descriptions of USPS Development of Costs by Segments and Components for FY 1994 and FY 1995. The OCA's discovery does not consist of a request for production of these relatively lengthy reference materials; rather the OCA demands that they be produced in an alternative electronic format. In fact, the OCA, since the start of this case, has had full access to these documents in hardcopy, the format in which this basic documentation has been provided in past cases for years. Since the OCA is located at the Commission's offices, where the original library references have been on file, presumably it has had little difficulty consulting the Summary Descriptions in the past, or now. If difficulty in gaining access were the problem, or the OCA's needs to consult were extensive (which the OCA does not represent), the

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Postal Service would be willing to loan a copy to the OCA to consult for the duration of the case.

As in past cases, the Postal Service's filing of the Summary Descriptions is in full compliance with the Commission's published Rules of Practice and Procedure. These filings also comply with the Special Rules of Practice in this case. As the titles indicate, these documents are summary descriptions, not computer generated analyses or sets of data. This, therefore, clearly is not a case where the OCA is invoking discovery procedures to enforce the filing requirements. Nor does it fall within the bounds of the purpose of Rule 25 to seek information "which appears reasonably calculated to lead to the discovery of admissible evidence," or Rule 26, since the documents have already been produced. The request, rather, appears to be related to the OCA's convenience or its intended use, but the OCA makes representations as to neither.

Similarly, the interrogatory does not seem to be within the spirit of Special Rule 2E, the presumed procedural basis of the request (in light of the fact that the time for discovery on the Postal Service's direct case has passed). Rule 2E pertains to interrogatories directed to the Postal Service to obtain information necessary to develop intervenor testimony. Not only has the information already been provided, but the OCA makes absolutely no representations about why the alternative format is needed.

As it stands, an electronic version of the Summary Description does not exist as an integrated document. It exists only in separate formats -- Wordperfect for text and

Lotus for various charts -- and in nonsequential order. The Summary Description is principally an internal document, the official version of which, as used by the Postal Service internally and as provided, as needed, to consultants, *is the hardcopy version*. The Postal Service has neither the need, nor any interest, in creating it in an alternative format, either for the Postal Service's own purposes or for filing in this case.¹

OCA/USPS-53(b) and (c) request certain costs for each FY 1995 IOCS sample office. Special Rule 2E is supposed to allow parties to gather information to develop their cases. How the information requested in these interrogatory subparts will help OCA present a case concerning the limited proposals presented in this docket has not been shown.

In addition, the Postal Service has long opposed release of facility-specific data. Such information is proprietary and commercially sensitive. The Postal Service faces increasing and intense competition for many of its products—Express Mail, Priority Mail, parcel post, and newspaper delivery. A competitor who knew the details of what costs are associated with particular offices would be in a more advantageous position to target postal business in those geographic areas.

Further, release of such information might allow conclusions, correct or otherwise,

¹ To the contrary, the Postal Service's interests in document control for its own purposes militates against maintaining an electronic version of this document. In constructing an electronic version of such multi-part, multi-file documents, there is a risk that it could be inadvertently altered, or, if subsequently revised, that it could come to exist in outdated versions. This problem is more easily controlled if creation, dissemination, and notification concerning such documents is limited to hardcopy.

to be drawn concerning which offices are more or less efficient or productive than others. This could have a chilling effect on labor-management relations as well as providing valuable information to competitors seeking to expand their business in particular locations to the detriment of the Postal Service.

OCA/USPS-56(c) requests that for the finance numbers not in the FY 1995 IOCS sample, the Postal Service give a count of how many had no chance for selection in FY 1996, and also provide the particular finance number for each, the CAG, and the reason why it was absent from the sample. FY 1995 is the Base Year in this case. FY 1996 IOCS data was not used or relied upon in the cost information presented in this case. The information requested is thus irrelevant. Further, any FY 1996 data are preliminary, and will not be processed and edited for general use until sometime after the close of the Fiscal Year. Thus, the OCA would be premature in using FY 1996 IOCS data in its current form to develop its case in this docket. Thus, the discovery should not be allowed under Special Rule 2E.

In addition, to the extent that the interrogatory requests listing of specific finance numbers², this information is proprietary and commercially sensitive. Specific finance numbers could be matched up with other available data, for example, office names and costs, which would involve release of facility-specific information. The Postal

² Some of the other interrogatories in this set also request information related to finance numbers. For example, see OCA/USPS-54(b) and 56(a). The Postal Service thinks it can provide information responsive to those questions without revealing particular finance numbers. To the extent this is not what the OCA is after, then this should be considered a blanket objection to all interrogatories in this set which in any way call for revealing specific finance numbers.

Service opposes release of such information for the reasons discussed concerning OCA/USPS-53(b) and (c).

OCA/USPS-54(c) and (e) primarily request information concerning offices not in the IOCS sample and their sample selection probabilities. The Postal Service will provide partial responses to these interrogatory subparts but objects to listing the offices and information for the offices including sample selection probabilities, CAG designations, and reasons they were not in the sampling frame. The Postal Service is not trying to withhold relevant IOCS information, but what is the point here? There are thousands of postal facilities throughout the country that are not in the IOCS sample. What is the relevance of providing information on them? Again, it is not at all apparent how the OCA might use this information to develop its case in this docket.

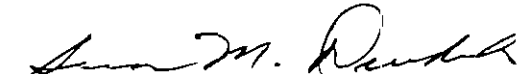
The IOCS and other Postal Service data systems certainly must be subject to discovery. But that discovery must be reasonable. The OCA seems intent upon conducting a broad-ranging fishing expedition that has little or no bearing on the limited special services proposals at issue in this docket. If the OCA is permitted to proceed, then the opportunity to litigate limited cases, such as this, at the Commission will be made much more difficult. In fact, this could create an incentive to only litigate limited rate and classification changes, or any other novel proposals, in an omnibus case. The Postal Service, other parties, and the Commission would not benefit from this outcome.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

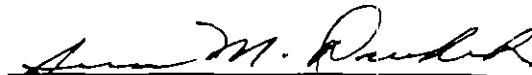
Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Susan M. Duchek

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



Susan M. Duchek

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