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

POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

SPECIAL SERVICES REFORM, 1996

Docket No. MC96-3

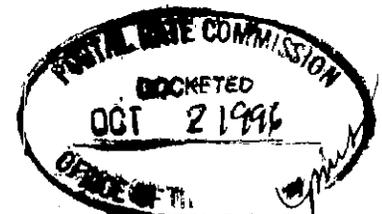
REPLY OF THE UNITED STATES POSTAL SERVICE TO OFFICE OF THE  
CONSUMER ADVOCATE COMMENTS IN RESPONSE TO PRESIDING OFFICER'S  
RULING NO. MC96-3/16  
(October 2, 1996)

The United States Postal Service hereby replies to the September 30 supplemental comments filed by the Office of the Consumer Advocate<sup>1</sup> pursuant to Presiding Officer's Ruling Granting in Part OCA Motion to Compel, Presiding Officer's Ruling No. MC96-3/16, September 26, 1996. The Postal Service's reply is authorized by Presiding Officer's Ruling Granting Postal Service Leave to Respond, Presiding Officer's Ruling No. MC96-3/17, October 1, 1996.

Presiding Officer's Ruling No. MC96-3/16 clearly enunciated what the OCA was expected to explain in its supplemental comments. The Presiding Officer said:

*I will allow the OCA to supplement its Motion with a more detailed explanation of how it plans to assess the reliability of the IOCS using the requested data. If the OCA provides an explanation that is sufficiently specific, and plausible, I will address the question of the sensitivity of facility-specific total costs, before making a final ruling.*

*Presiding Officer's Ruling No. MC96-3/16, at 4 (emphasis added).* The OCA's supplemental comments clearly fall far short of the showing required by the Presiding Officer's Ruling.



<sup>1</sup> Office of the Consumer Advocate Comments in Response to Presiding Officer's Ruling No. MC96-3/16, September 30, 1996 ("OCA Comments").

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The OCA's supplemental comments are neither detailed, specific, nor plausible. In fact, the OCA's comments are merely conclusory recitations of the very premise it is seeking to demonstrate, i.e. that the information is necessary to judge the reliability of the IOCS. For example, the OCA states that "a comparison of known and estimated attributable costs by craft at the individual facility level" is "an *obvious* means to judge the accuracy and reliability of the IOCS." *OCA Comments at 1 (emphasis added)*. If it is so obvious, why is the OCA unable to explain it? Elsewhere, the OCA states that "if 90 percent of the differences between actual and estimated cost were positive, and 10 percent were negative, this would demonstrate a need to investigate the cause of such an odd distribution of differences." *OCA Comments at 2*. Why would this be an odd distribution of differences? Even if it were "odd", would that necessarily indicate anything about reliability of the IOCS? What would need to be investigated and how? The OCA offers no explanation. Its supplemental comments are no more pointed or persuasive than its original overly general statements concerning why it allegedly needs the requested information.<sup>2</sup>

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<sup>2</sup> The OCA also spends time reciting a formula that it claims would generate an "IOCS estimate of cost by craft by individual office." *OCA Comments at 2*. The OCA implies that its recitation of this formula was necessitated because the Postal Service suggested that it did not know how to "generate an IOCS estimate of cost for a sample office." *Id. at 2*. The Postal Service never said that it did not know how to generate such an estimate, but rather argued that in certain circumstances, estimated costs for a sampled office will be greater than actual costs for the office. OCA acknowledges this with its hypothetical of 90 percent of the differences between actual and estimated being positive and 10 percent being negative. *See id.*

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In fact, the requested information will not assist anyone in evaluating IOCS reliability. The IOCS estimates "proportions of employee work time spent on various activities, including time spent processing each category of mail and several special services." *USPS LR-SSR-90 at 14*. The purpose is to distribute certain costs to those categories of mail and special services. The OCA has not demonstrated that knowing the costs (both estimated and actual) of various crafts at individual sample offices reveals anything about whether the estimates of proportions of time spent on various activities are correct.

Further, the OCA certainly cannot now argue that it needs the requested information to develop testimony, the reason behind the extended discovery permitted under Special Rule 2.E. The OCA filed its testimony on September 30, and it appears that none of its testimony relied upon any of the information it has been so assiduously collecting on the IOCS. The OCA certainly took no position in its testimony on either the reliability or unreliability of the IOCS. Thus, this continuing discovery for unclear and undisclosed objectives should not be allowed to continue.<sup>3</sup>

Moreover, the Postal Service now believes that its initial assumption that it could respond to this request in a reasonably expeditious manner, if so compelled, may have been incorrect. Currently, the Postal Service estimates that the time needed to respond could be as much as two to three weeks. Also, there is some

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<sup>3</sup> The OCA also cannot argue that it needs the evidence for some sort of rebuttal presentation. The Postal Service presently does not plan to file rebuttal evidence on data systems nor does it appear that any other participants have any like plans.

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concern that the information the Postal Service might develop may not be exactly what the OCA is seeking. In any event, it is not fair to impose this burden on the Postal Service when the requested information is neither relevant nor, apparently, destined to see the light of day in these proceedings.

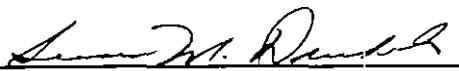
The OCA's fishing expedition must come to an end. The OCA must be told, in no uncertain terms, that it is time to haul in its nets, fold them up, and go home.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

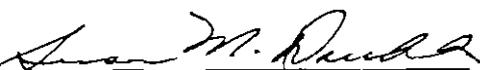
By its attorneys:

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

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2990; Fax -5402  
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