

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

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

MOTION OF THE UNITED STATES POSTAL SERVICE
REQUESTING WAIVER OF THE NEW COMMISSION RULES
WITH RESPECT TO CATEGORY 2 LIBRARY REFERENCES
(January 12, 2000)

By separate pleading, the Postal Service has submitted with its Request a notice regarding the master list of library references included with the filing. The instant motion is a request for waiver, where necessary, of the Commission's new procedures governing library reference practice, with respect to all Category 2 (Witness Foundational Material) library references. The relevant library references have been identified as such in the master list in the "Category" column, and are also identified below:

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|---|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2 | USPS-LR-I-4 | Base Year /Roll Forward, Input Data Files (Meehan/Kashani) |
| 2 | USPS-LR-I-5 | Base Year/Roll Forward, Processing Documentation Reports (Meehan/Kashani) |
| 2 | USPS-LR-I-6 | Base Year/Roll Forward (CD-ROM) (Meehan/Kashani) |
| 2 | USPS-LR-I-7 | Base Year and Roll Forward, Costs Diskette (Meehan/Kashani) |
| 2 | USPS-LR-I-8 | Roll Forward Test Year Volume Variable Cost Footnotes (Kashani) |
| 2 | USPS-LR-I-9 | Reconciliation of FY 1998 Statement of Revenues and Expenses to Audited Financial Statements and Reallocation of Expenses by Component (1 diskette) (Meehan) |

- 2 USPS-LR-I-10 Estimated Functional Accrued Costs by Sub Functions and Cost Categories (1 diskette) (Kashani)
- 2 USPS-LR-I-11 Electronic Version of Witness Kiefer's Workpapers, USPS-T-37
- 2 USPS-LR-I-53 TRACS Freight Rail Statistical and Computer Documentation (Source Code and Data on CD-ROM) (Xie)
- 2 USPS-LR-I-54 Estimation of Priority Mail Weight and Average Haul by Zone-Documentation and Source Code (1 CD-ROM included (Xie)
- 2 USPS-LR-I-55 SAS Programs Used in Calculation of Air Network Premium Factors (Pickett)
- 2 USPS-LR-I-56 SAS Programs Used in the Calculation of the CNET Premium (Pickett)
- 2 USPS-LR-I-57 Calculation of Air Network Premium Factors (Pickett)
- 2 USPS-LR-I-58 Calculation of Base Year Distribution Key for Christmas Air Operations (Pickett)
- 2 USPS-LR-I-59 Calculations of Alaska Air Adjustment (Pickett)
- 2 USPS-LR-I-60 Calculation of Distance-related Transportation Costs (Pickett)
- 2 USPS-LR-I-61 Calculation of Cost of Eagle Daytime Operations (Pickett)
- 2 USPS-LR-I-62 Materials Related to Testimony of Witness Plunkett, USPS-T-36
- 2 USPS-LR-I-77 Development of Piggyback and Related Factors (1 diskette) (Marc Smith)

- 2 USPS-LR-I-78 Diskette of Witness Kashani's Spreadsheets for Appendices A through B and Exhibit USPS-14A (USPS-T-14) (1 diskette)
- 2 USPS-LR-I-80 Diskette of Witness Meehan's Spreadsheets for Workpaper B and Exhibit 11C (USPS-T-11)
- 2 USPS-LR-I-81 Mail Processing Unit Costs by Shape (Marc Smith)
- 2 USPS-LR-I-83 Equipment and Facility Related Costs (Marc Smith)(1 diskette)
- 2 USPS-LR-I-84 Bradley/Electronic Version of Data and Programs for Econometric Results (USPS-T-18)
- 2 USPS-LR-I-85 Power Only Highway Contract Survey (Bradley)
- 2 USPS-LR-I-86 Responses Concerning Unusual Observations in the HCSS Data Set (Bradley)
- 2 USPS-LR-I-87 Periodicals Mail Characteristics Survey (Yacobucci)
- 2 USPS-LR-I-88 Flats Bundle Study (Yacobucci)
- 2 USPS-LR-I-89 Flats Coverage Factors (Yacobucci)
- 2 USPS-LR-I-90 Flats Mail Processing Cost Model (Yacobucci)
- 2 USPS-LR-I-91 First-Class Weight Studies (Daniel)
- 2 USPS-LR-I-92 Standard Mail (A) Weight Studies (Daniel)
- 2 USPS-LR-I-93 Periodicals Weight Studies (Daniel)

- 2 USPS-LR-I-94 Supporting Calculations for Weight Studies (Daniel)
- 2 USPS-LR-I-95 Development of Delivery Costs by Rate Category for First-Class and Standard Mail (A) (Daniel)
- 2 USPS-LR-I-96 Development of ECR and NPECR Mail Processing Saturation Savings (Daniel)
- 2 USPS-LR-I-97 Development of Roll Forward Final Adjustment (Daniel)
- 2 USPS-LR-I-98 Underlying Cost Models for Roll Forward Final Adjustments (Daniel)
- 2 USPS-LR-I-99 Underlying Mail Processing and Window Cost Data for Weight Studies (Daniel)
- 2 USPS-LR-I-100 Underlying Cost Data for Delivery Studies (ECR and Weight) (Daniel)
- 2 USPS-LR-I-101 Underlying Mail Processing Data for ECR Mail Processing Studies (Daniel)
- 2 USPS-LR-I-102 First-Class, Standard (A), and Periodicals Volumes by Shape and Ounce Increment (Daniel)
- 2 USPS-LR-I-103 Standard (B) Parcel Post and BPM Mail Processing and Window Service Costs (USPS-T-26)
- 2 USPS-LR-I-104 Program Documentation for Appendix 1 of USPS-T-26
- 2 USPS-LR-I-105 Standard Mail (B) Parcel Post Volume, Cubic Feet and Weight Data (USPS-T-26)
- 2 USPS-LR-I-106 Van-Ty-Smith/MODES-Based Costing, Description of Spreadsheets and SAS Programs (USPS-T-17)

- 2 USPS-LR-I-107 Bozzo/Programs and Electronic Input Data for Mail Processing Volume Variability Analysis (USPS-T-15)
- 2 USPS-LR-I-108 Spreadsheets and Other Supporting Materials for Witness Davis (USPS-T-30)
- 2 USPS-LR-I-109 Bound Printed Matter Mail Characteristics Study (Crum, USPS-T-27)
- 2 USPS-LR-I-110 Address Correction Service Costs (1 diskette) (USPS-T-29)
- 2 USPS-LR-I-111 Derivation of Fixed-Weight Price Indices for Priority Mail Express Mail, and UPS Ground Service (Musgrave, USPS-T-8)
- 2 USPS-LR-I-112 Regression Materials and Data: Priority Mail and Express Mail (Musgrave, USPS-T-8)
- 2 USPS-LR-I-113 Before-Rates and After-Rates Volume Multipliers and Forecasts for Priority Mail and Express Mail (Musgrave, USPS-T-8)
- 2 USPS-LR-I-114 Before-Rates and After-Rates Forecasts for Priority Mail Volume Transfer (Musgrave, USPS-T-8)
- 2 USPS-LR-I-115 1999 Platform Study (Witness Degen, USPS-T-16)
- 2 USPS-LR-I-119 Tolley/Thress Before-Rates Fixed-Weight Index Material
- 2 USPS-LR-I-120 Tolley After-Rates Fixed-Weight Index Material
- 2 USPS-LR-I-121 Tolley Documentation of Forecasting Model
- 2 USPS-LR-I-122 Thress Data Used in Demand Regressions and Regression Code

2	USPS-LR-I-123	Thress Cross-Section Income Coefficients and Standard Errors
2	USPS-LR-I-126	Explanation of Cost Reductions and Other Programs (Tayman)
2	USPS-LR-I-127	Rollforward Expense Factors (Tayman)
2	USPS-LR-I-128	Workers' Compensation Expense (Tayman)
2	USPS-LR-I-129	Materials Related to Witness Musgraves' Supplemental Appendix
2	USPS-LR-I-150	Supporting Material for Incremental Cost Model (Kay, USPS-T-23)
2	USPS-LR-I-151	Calculation of Single Subclass Stop Ratios (Kay, USPS-T-23)
2	USPS-LR-I-155	Supporting Materials for Witness Kaneer's Post Office Box Analyses
2	USPS-LR-I-156	Computer Program Relating to the Testimony of Witness Bernstein, USPS-T-41
2	USPS-LR-I-157	Predicted Load time Calculation (Baron, USPS-T-12)
2	USPS-LR-I-158	Calculation of Running Time Elasticities (Baron, USPS-T-12)
2	USPS-LR-I-159	Calculation of Street Time Proportions (Baron, USPS-T-12)
2	USPS-LR-I-160	Documentation Supporting Witness Campbell (USPS-T-29) Testimony
2	USPS-LR-I-162	Electronic Version of Spreadsheets and Workpaper (Miller, USPS-T-24)

- 2 USPS-LR-I-163 Engineered Standards Database
(Raymond, USPS-T-13)
- 2 USPS-LR-I-164 Remote Computer Reader 2000
Handwriting Recognition Upgrade Decision
Analysis Report (Miller, USPS-T-24)
- 2 USPS-LR-I-165 Priority Mail Pricing Spreadsheets
(Robinson, USPS-T-34)
- 2 USPS-LR-I-166 Standard Mail (A) Pricing Spreadsheets
(Moeller, USPS-T-35)
- 2 USPS-LR-I-167 Periodicals Pricing Spreadsheets
(Taufique, USPS-T-38)
- 2 USPS-LR-I-168 Special Services Pricing Spreadsheets
(Mayo, USPS-T-39)
- 2 USPS-LR-I-169 Electronic Version of First-Class Mail Rate
Design Workpaper (Fronk, USPS-T-33)
- 2 USPS-LR-I-171 Electronic Version of Attachments to
Testimony of Witness Eggleston (USPS-T-
26)
- 2 USPS-LR-I-172 Electronic Version of Workpapers (USPS-
T-29, Campbell)
- 2 USPS-LR-I-173 Rural Carrier Cost System New
Methodology Evaluation Report (Daniel)
- 2 USPS-LR-I-174 Electronic Version of Rate Level
Spreadsheets (USPS-T-32, Mayes)
- 2 USPS-LR-I-175 Electronic Version of Attachments to
Testimony of Witness Crum (USPS-T-27)

Specifically, the Postal Service requests that to the extent that it could be argued that its filing does not actually or substantially comply with all of the requirements of Rule

31(b)(2) with respect to the above Category 2 library references, that those requirements be waived.

The intended primary purposes of the revisions to Rule 31(b)(2) are to limit library references to appropriate circumstances and categories of material, and to insure that adequate information is provided to identify the contents of library references and to indicate how they relate to the case. See Order No. 1263 at 3. The Postal Service submits that, in the context of its Category 2 library references, these purposes are achieved by virtue of the historical practice regarding these types of library references, and by the information included on the master list, within this motion, within the library references themselves, and, most importantly, within the testimonies associated with these library references. Specifically, the nature of Category 2 library references is such that there has never been a genuine issue that these materials are appropriately filed as library references, and any need for the filing of a separate notice for each library reference, as might otherwise appear to be required by Rule 31(b)(2)(iv), is better satisfied by a comprehensive discussion, within each relevant testimony, identifying all library references relating to that testimony.

Category 2, witness foundational material, consists of material that relates directly to the testimony of a specific witness, but which is not physically attached to the testimony. Historically, therefore, it has been neither explicitly nor formally introduced into evidence. Nevertheless, the link between the witness and the supporting material is clear, and witnesses can (and often do) undergo extensive written and oral cross-examination regarding their foundational material. Generally speaking, witness foundational material can be filed as workpapers, or as library references. In either

format, its function is the same -- to provide the appropriate foundation for receipt into evidence of the witness' testimony. In earlier years of postal ratemaking, workpapers were the predominant format used to present such background material. In more recent years, library references have gradually become more prevalent as reliance on electronic data analysis has increased, and as the Commission amended Rules 31 and 54 to require more specific and more extensive types of foundational material. For purposes of achieving the intended purpose of the new rules, however, the important point is that if questions were raised whether witness foundational material were appropriately filed as library references, the obvious fallback would be to file the material as workpapers. Given the functional similarity of the two formats, it is unclear why any ratemaking participant would have a strong preference for either workpapers or library references. But, for example, when foundational material includes or consists of information in a machine-readable format, it is obvious that use of that material is facilitated if it is filed as a library reference.

In terms of notice, both this document and the master list allow ready identification of the testimony with which each Category 2 library reference is associated. In this case, the Postal Service has sought to ensure that all testimony includes a prominently-featured discussion which identifies and explains all of the related foundational material. (The exceptions are witnesses whose testimonies are more systems-oriented, who may only have a list in their table of contents that indicate the library references associated with their testimonies.) Since parties understand the Postal Service's case by reading the testimonies of its witnesses (rather than randomly selected library references or library reference notices), it is much more useful to consolidate information regarding

the contents of related library references within each testimony, rather than include it as part of a series of separate library reference notices. Moreover, the direct association between the testimony and the library reference obviates the utility of the notice information that would otherwise be required pursuant to new subsections 31(b)(2)(iv)(D), (E), (F), and (H).

In terms of other purposes of the new rules, the vast majority of Category 2 library references already include, or consist entirely of, electronically-formatted material. Most also include a preface or summary. Lastly, each of the Category 2 library references should be labeled in accordance with proper notation standards.

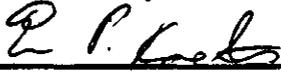
Wherefore, for all of the above reasons, the Postal Service respectfully requests that to whatever extent it could be argued that its filing does not actually or substantially comply with all of the requirements of Rule 31(b)(2) with respect to the

above Category 2 library references, that those requirements be waived.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

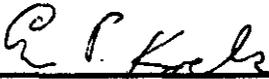
By its attorney:



Eric P. Koetting

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.



Eric P. Koetting

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January 12, 2000