

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

OBJECTION OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES ANM/USPS-T9-6(B) AND ANM/USPS-T9-7(A)-(D)  
(February 7, 2000)

The United States Postal Service hereby objects to interrogatories ANM/USPS-T9-6(b) and ANM/USPS-T9-7(a)-(d), filed on January 27, 2000. The grounds for each objection are set forth below.

ANM 6(b) seeks "all cost-benefit analyses and other management analyses" of major program initiatives. First, the Postal Service has already filed estimates of major program expenses and explanations of costs. See Library References I-126 and I-127. Additional cost-benefit analyses, prepared to assist postal management in deciding whether to approve a program or not, are not relevant since the Commission "does not scrutinize the wisdom of Postal Service spending plans." PRC Op., R97-1, Vol. 1, at 49. Moreover, differences in timing and estimation techniques make comparisons of such analyses to rate case estimates problematic. A rate case estimate is intended to be an accurate projection of test year costs. A cost-benefit analysis is intended only to demonstrate that there will be adequate return on investment and is not intended to be an accurate predictor of test year costs for ratemaking purposes.

Second, cost-benefit analyses may contain information proprietary to the Postal Service or its contractors and may be of value, in the case of recent analyses, to potential bidders or competitors. In light of the lack of relevance of these analyses, the risk of disclosure of sensitive information is not justified. Finally, the request is

overbroad in that it seeks "all" management analyses without any limitation on their relevance to the level of program costs.

Interrogatory 7(a) seeks all documents containing a description of each capital investment project or program initiative. With respect to program expenses that affect the test year, each program is already described in Library Reference I-126. The question is therefore unnecessary and demonstrates that ANM is attempting to engage in a fishing expedition begun before it has even reviewed the documentation provided by the Postal Service in this case to amplify its estimates of program expenses.<sup>1</sup> To the extent the question would require production of any document containing any description of any program, the interrogatory is overbroad and burdensome. Moreover, with particular respect to capital investment projects, it would be nearly impossible to produce all documents describing them. Because they are depreciated over many years, they could be mentioned in documents as old as forty years.

Interrogatory 7(b) seeks "the total amount the Postal Service expects to expend for the project over its entire life"; interrogatory 7(c) seeks "all cost-benefit analyses of the project or initiative"; and interrogatory 7(d) seeks "all other studies and analyses of the expected costs and benefits of the project or initiative." For the reasons stated above, these inquiries are not relevant to the issues before the Commission in this case, they are burdensome and overbroad, and may involve the disclosure of commercially sensitive and proprietary information. Because of the breadth of the inquiries, it is not possible to quantify the burden involved in attempting to gather and redact "all" existing documents responsive to these inquiries. The burden would clearly

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<sup>1/</sup> See *also* interrogatory ANM/USPS-T9-6(a) ("Please indicate the amount of each cost increase[] associated with major program initiatives ...."). The Postal Service is not objecting to this interrogatory, because the answer is a simple reference to material filed with the Request in this case, but it demonstrates that ANM has apparently not examined all the relevant material already provided by the Postal Service.

be unjustified in light of the lack of probative value of these analyses to the issues before the Commission, as described above.

A more fruitful approach would be for ANM to review the documentation already provided by the Postal Service. Once it has done so, it may be able to formulate specific inquiries regarding the explanations and calculations of specific programs. Such questions would be more susceptible of either responsive answer, focused objection, or informal negotiation than the broad net cast by the questions at issue.

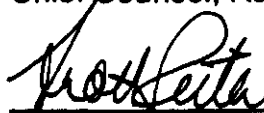
For these reasons the Postal Service objects to these interrogatories.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking



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Scott L. Reiter

#### 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.



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Scott L. Reiter

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2999; Fax -5402  
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