

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

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POSTAL SERVICE
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

OBJECTION OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORY
OF THE ASSOCIATION OF PRIORITY MAIL USERS
(APMU/USPS-T34-26(a)(i) and (iv) and b(i) and (iv))
(March 13, 2000)

The United States Postal Service hereby objects to APMU/USPS-T34-26(a)(i) and (iv) and b(i) and (iv), directed to witness Robinson on March 2, 2000. The objection is based on relevance, burden and commercial sensitivity.

The subparts of the interrogatory objected to request:

a. What is the per-pound terminal handling charge and the per-pound/mile charge for Priority Mail currently paid for

(i) air taxis,

(ii) intra-Alaska commercial air,

(iii) intra-Alaska air to the Bush, and

(iv) any other operators (other than regular commercial airlines) used by the Postal Service to transport Priority Mail?

b. Do any existing contracts with any of the above expire prior to the end of Test Year? If so, please stipulate the contract and date.¹

^{1/} Although the interrogatory does not break out subpart (b) into constituent parts (i) through (iv) as subpart (a) does, those constituent parts are assumed in the question. The Postal Service thus will refer to subpart (b) as if it is so broken out, both in this objection and in the response to be filed later this week.

The relevance of this information is questionable. First, the Postal Service pays the same rate in its various air transportation contracts regardless of mail class or subclass. Thus, there are no pound or pound-mile rates specific to Priority Mail. Moreover, the cost pools for air transportation speak for themselves. Why cost information at such a level of disaggregation is needed is not clear. It is likewise unclear why individual contract termination dates are deemed necessary.

Despite the doubtful relevance of such information, the Postal Service will provide the information for both mainline and bush intra-Alaska air service (subparts (a)(ii) and (iii) and (b)(ii) and (iii)). This information can be more readily produced. The information on air taxi contracts and all other air operators (excepting commercial air) (subparts (a)(i) and (iv) and b(i) and (iv)) is much more burdensome to produce.

With regard to subparts (a)(i) and (b)(i), it is estimated that there are between 30 and 50 total air taxi contracts which are administered by individual Distribution Network Offices (DNOs) spread throughout the country. Furthermore, it is believed that payments on these contracts generally are on a per-trip rather than a per-pound or per-pound/mile basis. In any event, all 13 DNOs would have to be contacted. Each DNO would have to search its contract files, and locate and review each air taxi contract in order to ascertain the payment basis on the individual contracts as well as the expiration date.

With regard to subparts (a)(iv) and (b)(iv), there are numerous other contracts that appear to be covered by the request. There are approximately 50-60 Hawaii and Pacific Segment contract with per pound rates. There are approximately another dozen Hawaii and Pacific system contracts. There are approximately another 27 contracts for

point-to-point dedicated Christmas air service. There are approximately another 16 miscellaneous contracts for point to point dedicated air transportation. There are other air segment contracts and regional air system contracts as well. All of these contracts are administered through Postal Service Headquarters and would require various Headquarters personnel to search their files, locate and individually review over 100 contracts to ascertain payment bases and expiration dates.

The Postal Service estimates that it would take approximately 6 hours in total to make contact with the appropriate person or persons at each of the 13 DNOs who would be able to obtain the information for air taxi contracts (this assumes a little less than one half hour per DNO contact.) It is further estimated that it would take another half hour per air taxi contract, to locate, review and compile the requested information, for a total of 25 hours (assuming 50 air taxi contracts). Therefore, the total effort on the air taxi contracts could take 31 personhours, if there are no difficulties encountered or loose ends to resolve, which seems unlikely.

With regard to the 100 plus contracts administered at Headquarters, the Postal Service estimates that it would take at least 50 personhours to locate the contracts, review and compile the requested information. This assumes one-half hour per contract for 100 contracts. Again, this assumes there are no difficulties encountered or loose ends to resolve. It also does not include any estimate of the time needed to contact the appropriate person or persons who would be able to obtain the information. It has not been estimated, at this time, how many different individuals at Headquarters might have to be contacted.

It therefore seems that it could take two full personweeks or more to answer the interrogatory. This is unduly burdensome for information that is of dubious relevance.

Finally, public availability of individual contract rates and expiration dates for air taxis and for other air operators is commercially sensitive information. Potential bidders equipped with this information would be able to adjust their bids on future contracts to the detriment of both the Postal Service and possibly other bidders.²

For all of the foregoing reasons, the Postal Service should not be required to produce the requested information.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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^{2/} The rates for mainline and bush intra-Alaska air service are established by the U. S. Department of Transportation and the commercial sensitivity argument thus does not apply in those instances.

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.

A handwritten signature in cursive script, appearing to read "Susan M. Duchek", is written over a horizontal line.

Susan M. Duchek

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