



March 15, 2000

Hon. Margaret P. Crenshaw, Secretary  
Postal Rate Commission  
1333 H Street, NW, Suite 300  
Washington, D.C. 20268-0001

Dear Ms. Crenshaw:

This transmits materials responsive to new Commission Rule 103 (39 C.F.R. §3001.103), adopted in Order No. 12-5, Docket No. RM2000-1 (February 15, 2000). Rule 103 identifies the information the Postal Service is to provide to assist in preparation of the Commission's annual Report to Congress on the costs, volumes and revenues associated with international mail (39 U.S.C. § 3663).

We have attached a listing that itemizes the materials provided in two levels of documentation. The first level includes the FY 1999 International Cost and Revenue Analysis (ICRA) Report (PRC Version), an FY 1999 International Cost Segments and Components (ICSC) Report (PRC Version), an FY 1999 Cost and Revenue Analysis (CRA) Report (PRC Version), and an FY 1999 Cost Segments and Components (CSC) Report (PRC Version). These reports have not been audited. The remainder of the first level includes the first two volumes of documentation. The second level includes several additional volumes of supporting documents, as listed in the attachment.

We have also attached a document labeled "Compliance Guide" that is patterned after the compliance statements typically filed with Postal Service Requests under 39 U.S.C. §§ 3622 and 3623. This guide restates each provision of Rule 103 and indicates which of the materials listed in the two levels of documentation addresses the information requirements. In some instances, the guide provides a discussion addressing the requirement, attaches a responsive internal Postal Service document, or both. Please note that in some instances the narratives contain commercially sensitive information, and that all of the attachments are considered commercially sensitive. We therefore request that, if this letter is posted on the Commission's web site, the Compliance Guide not be included.

Furthermore, we are mindful of the provision in Rule 103 that material considered commercially sensitive should be identified, and that it will not be publicly disclosed,

except as required by applicable law. The Postal Service does intend to provide specific guidance on commercial sensitivity. We have not, however, been able to prepare that information in time for these submissions. The timing of the order creating the new rule one month ago, together with activity in the pending omnibus rate case (Docket No. R2000-1), and the need to prepare these materials for submission by March 15, have militated against identifying commercially sensitive content in these records at a level of specificity typically encountered in responding to requests under the Freedom of Information Act (FOIA). In this regard, if we had attempted to prepare the reports and documentation, and to simultaneously identify each part of each record as commercially sensitive, we would not have been able to produce the reports in time for submission by March 15. In the circumstances, we placed priority on the timely preparation and submission of the reports and documentation.

The Postal Service maintains its position that most of the records submitted in connection with the Commission's annual Report to Congress are internal documents of a commercially sensitive nature that under good business practices should not be disclosed publicly. Accordingly, the Postal Service requests that the Commission withhold all of these materials from public disclosure, except as indicated below, until more information is provided. We will provide more specific guidance as soon as possible.

This limitation does not extend to the domestic cost reports we are filing today – the CRA (PRC Version) and the CSC (PRC Version) – but it does apply to the ICRA and the ICSC.

In two other instances, we have been unable to provide material specified by the rules with the current submission. Subsection 103(e)(9) specifies international billing determinants for the most recent full fiscal year (FY 1999), and subsection 103(l)(4) calls for coefficients of variation for outbound volume by international service. We have been unable to complete these in time to file today. We will provide them as soon as they are available.

We have provided multiple copies of the materials submitted. We have provided 20 hard copies of the first level of documentation and 3 copies of the more voluminous second level. We have also provided electronic versions of the second level of documentation.

As in the past, we will readily provide more copies, if they are needed. In addition, the Postal Service will provide clarifications or explanations if required.

Sincerely,

A handwritten signature in cursive script that reads "Daniel J. Foucheaux, Jr." The signature is written in black ink and is positioned above the printed name.

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking  
International and Ratemaking Law

Enclosures

**39 U.S.C. 3663(b)**  
**Enclosures and Schedule**

<b>LEVEL I DOCUMENTATION</b>		
<u>Item</u>	<u>Designation</u>	<u>Date</u>
FY 1999 International Cost and Revenue Analysis – PRC Version	Exhibit 1	3/15/2000
FY 1999 International Cost Segments & Components Report – PRC Version	Exhibit 2	3/15/2000
FY 1999 Cost and Revenue Analysis Report – PRC Version	Exhibit 3	3/15/2000
FY 1999 Cost Segments & Components Report – PRC Version	Exhibit 4	3/15/2000
Volume 1 Documentation	Workpaper 1A	3/15/2000
Volume 2 Documentation	Workpaper 1B	3/15/2000

<b>LEVEL II DOCUMENTATION</b>		
<u>Item</u>	<u>Designation</u>	<u>Date</u>
Appendices Documentation – Part 1 of 7	Workpaper 2A	3/15/2000
Appendices Documentation – Part 2 of 7	Workpaper 2B	3/15/2000
Appendices Documentation – Part 3 of 7	Workpaper 2C	3/15/2000
Appendices Documentation – Part 4 of 7	Workpaper 2D	3/15/2000
Appendices Documentation – Part 5 of 7	Workpaper 2E	3/15/2000
Appendices Documentation – Part 6 of 7	Workpaper 2F	3/15/2000
Appendices Documentation – Part 7 of 7	Workpaper 2G	3/15/2000
FY 1998 Billing Determinants	Exhibit 5	3/15/2000
Handbook F-85, "Data Collection User's Guide for International Revenue, Volume, and Performance Measurement Systems	Exhibit 6	3/15/2000
Cost Segment 3 CRA Workpapers	Workpaper 2H	3/15/2000
Cost Segment 7 CRA Workpapers	Workpaper 2I	3/15/2000