

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 APMU INTERROGATORIES APMU/USPS-T34-33-39, 41-42
TO WITNESS ROBINSON
(March 17, 2000)

The United States Postal Service hereby objects to interrogatories APMU/USPS-T34-33-39, 41-42, filed on March 7, 2000.

APMU interrogatories 33 through 36 seek, for each quarter of FY 1999, for Priority Mail that originated and destined within the PMPC network, for Priority Mail that originated and destined outside the PMPC network, for Priority Mail that originated outside the PMPC network and destined within the PMPC network, and for Priority Mail that originated within the PMPC network and destined outside the PMPC network, the percentage meeting service standards, and the source of the data used to compute the percentage. The Postal Service objects to the provision of this detailed, PMPC-specific performance information on the ground of relevance. Current and proposed Priority Mail rates are not specific to whether particular mail pieces originate and/or destinate within the PMPC network, and thus PMPC-specific performance figures would add little to the record of this case.

Interrogatory 37 requests as a library reference a "copy of the Inspector General's report, *Priority Mail Processing Center Network* (September 24, 1999) DA-AR-99-001." A version of this report, with redactions of confidential, commercially sensitive material, was released pursuant to a Freedom of Information Act request. The Postal Service objects to the provision of an unredacted version, on the grounds that the unredacted

version would disclose commercially sensitive information. Furthermore, the Postal Service notes that Interrogatories 39 through 41 appear to contain information not made publicly available by the Postal Service. With the exception of interrogatory 40, the Postal Service objects to providing answers to these questions without the provision of specific information regarding the means by which redacted information was obtained by the questioning party.

Interrogatory 38 asks if the Postal Service has negotiated a "final calendar year 1999 network operations adjustment under the Supplemental Letter Agreement between the Postal Service and Emery", and, if so, the amount of additional payment in excess of the original contract rate, indicating separately the amount of the extra payment that arises from (i) increases in volume and (ii) changes in mail mix. The Postal Service objects to the provision of this detailed price information because it would reveal confidential, trade-secret, commercially sensitive business information of the Postal Service and its contractor. However, consistent with its position with respect to provision of the Emery contract, the Postal Service is willing to provide a response under strict protective conditions.

Interrogatory 39 requests "a detailed explanation why the Postal Service finds it beneficial for the PMPC contractor to pay a (reimbursable) rate to commercial airlines for Priority Mail that exceeds the rate paid under the USPS air system contract." Regardless of the veracity of the premise of the question, the Postal Service objects to the provision of this detailed contract price information because it would reveal confidential, trade-secret, commercially sensitive business information of the Postal Service and its contractor. Furthermore, the Postal Service objects that this interrogatory intrudes into managerial prerogatives of the Postal Service that are not subject to Commission review, and requests information that is not relevant to the test-year and base year costs at issue in this proceeding.

Interrogatory 41 asks, for Test Year 2001 and an unspecified historical year, the Postal Service to confirm whether the Postal Service could have processed "the same volume" in house "without a network," or failing to confirm, to provide an alternate figure. Assuming that the question refers to all Priority Mail passing through the PMPC network, the Postal Service objects that hypothetical, unrealistic, "parallel universe" costs figures such as those requested are not relevant to the actual and projected costs at issue in this proceeding.

Interrogatory 42 requests copies of any audits or reports on Priority Mail by the Inspector General, other than the Priority Mail Processing Center Network report requested in APMU/USPS-T34-37, including those already released and any that may be released before the record in this Docket is closed." The Postal Service objects to this interrogatory on grounds of relevance, burden, overbreadth, commercial sensitivity and privilege. This request is far too broad. Much of the auditing by the Inspector General involves operations at particular facilities, and other issues beyond the scope of this proceeding. Many audits have been conducted by the Inspector General since the IG's inception in 1997, and are identified only generally in semiannual indices. The burden involved in identifying which audits relate to the topics identified, and then collecting, sorting, and copying responsive documents, would be undue, involving 15 to 25 person hours. In addition, many of the documents cannot be publicly disclosed because they contain proprietary and commercially sensitive information. Finally, the documents could contain attorney-client, attorney work product, pre-decisional, and law-enforcement-related communications that are subject to any one of a number of privileges, including the attorney client, deliberative process, attorney work product, and law enforcement privileges.

The Postal Service notes, moreover, that it has already provided the semiannual reports of the Inspector General in USPS LR-I-181 in response to interrogatory

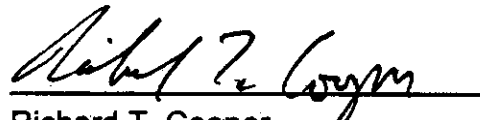
OCA/USPS-7. These reports, as supplemented in the Postal Service's response to interrogatory DFC/USPS-25, provide an index of audits by both the Inspector General and the Inspection Service, and should provide ample information about the audit activities of the Office of Inspector General for purposes of this proceeding.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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March 17, 2000

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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