

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 THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF DAVID B. POPKIN  
(DPB/USPS-19-23, 24(A-C, E), 25, 26(C-E), and 28-36)  
(March 20, 2000)

The Postal Service hereby objects, in whole or in part, to interrogatories DBP/USPS-19-23, 24(a-c, e), 25, 26(c-e), and 28-36 filed by Mr. Popkin on March 10, 2000, and directed to the Postal Service. For ease of reference, a copy of the entire set of questions is attached.

The Postal Service objects to DBP/USPS-19 on the grounds of materiality and relevance. This interrogatory poses a series of 23 statements relating to the ideal conduct of very specific operational practices with respect to mail collection and collection boxes, which the Postal Service is asked to confirm. One example, subpart w), asks the Postal Service to confirm that "Collection times shown as 12 PM should be changed to 12 Noon since 12 PM is actually midnight." If the purpose of postal rate cases were to determine operational policies and the Postal Service's compliance with those policies, some of these questions (although not subpart w) might be relevant. That is not the purpose of postal rate cases, and the questions are neither relevant nor material. While Mr. Popkin attempts to cloak these questions as relating to ratemaking concepts such as value of service, the level of detail addressed in these questions is manifestly well beyond anything that would usefully contribute to inter-subclass evaluation of the pricing criteria of the Act.

The Postal Service likewise objects to DBP/USPS-20 regarding collection operational practices. Question 20 seeks copies of "any Headquarters directives that have been furnished to the field with respect to collection requirements in the last three years," and copies of any OIG or Inspection Service audits on collection services over that period. The requested materials are not relevant to ratemaking, and potentially burdensome to produce.

With respect to the request for a search and production of all Inspector General and Inspection Service that concern collection services, the Postal Service objects to this interrogatory on grounds of relevance, burden, overbreadth, commercial sensitivity, and privilege. This request is overbroad because it asks for all collection services audits in the past three years, some of which may have no relevance to issues in this proceeding. Much of the auditing by the Inspection Service and the Inspector General involves operations at particular facilities, and other issues not related to issues affecting the rate case. Many hundreds of audits have been conducted by the Inspector General and the Inspection Service in the last three years, and are identified only generally in semiannual indexes. The burden involved in identifying which audits relate to "collection services", or verifying that none of the audits concern special services, would be undue, involving perhaps 15 to 25 hours. In addition, the documents cannot be publicly disclosed if they contain proprietary and commercially sensitive information. Finally, the documents could contain attorney-client, attorney work product, predecisional, 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 since 1997, and should provide ample information about the audit activities of the Office of Inspector General and the Inspection Service for purposes of this proceeding.

The Postal Service likewise objects to DBP/USPS-21, also regarding collection operational practices. Question 21 seeks copies of "any guidance provided to District Managers with respect to the applicability of the requirements for collection boxes at noncity delivery offices." Correspondence received by the Postal Service long before initiation of the rate case confirms that Mr. Popkin clearly has an independent interest in the Postal Service's collection policies and practices. Now, he is simply using the rate case discovery process in an attempt to extract information on that topic. Because the information he seeks is not relevant to ratemaking, and would be potentially burdensome to produce, the Postal Service objects to question 21.

Interrogatory DBP/USPS-22 provides yet another example of an irrelevant question. It requests that the Postal Service explain "why the regulations for having retail window service on Saturdays at a post office ... require that the Postmaster demonstrate that there is a need for Saturday service rather than making a demonstration that it is not needed," and requests copies of Headquarters directives to the field on the provision of Saturday window service. The tenor of this question makes it abundantly obvious that Mr. Popkin has an understanding of what the regulations are and how they operate; via this argumentative interrogatory he seeks a change in the regulation to shift the Postmaster's burden of proof regarding the provision of Saturday window service. What should be equally obvious is that internal operating and management policies and practices of this variety are well beyond the Commission's purview in an omnibus postal rate case. The Postal Service objects to question 22 as irrelevant and argumentative.

Question 23 is similar to question 19, except that instead of focusing on operational collection practices, the topic is post office services on Saturday. Once again, the structure of the questions is to set forth statements of ideal operational practices, and to seek the Postal Service's confirmation. The stated purpose of these questions is to "evaluate the level of service that is being provided at post offices on Saturday, particularly those that do not have retail window service on that day." These questions are irrelevant, among other reasons, because the Commission does not recommend different rates depending on the day of the week that mail is entered. Likewise, the Commission does not recommend different rates depending on whether the originating facility has Saturday retail window service or not. Operational issues at this level of localized detail are simply not relevant to this proceeding.

Interrogatory DFC/USPS-24 begins with three parts (a-c) focused upon details of the customer interface with Shipping Online, a means by which customers access Postal Service information and services. As such, this interrogatory is perfectly in keeping with the irrelevance of most of this set of Popkin interrogatories by focusing on operational details that have no bearing on the issues in an omnibus rate case. The last part builds upon Mr. Popkin's apparent conclusion that Shipping Online offers the insurance from another provider, and asks a relevant question about how this insurance compares to Postal Service insurance. The Postal Service will thus respond to part (d).

Even within a particularly strong field of candidates, question 25 would appear to stand out as the most irrelevant question posed by Mr. Popkin in this set. On the subject of the recent Census Bureau mailings containing incorrect address information, this question contains 12 subparts seeking to elicit detailed operational information, such as the length of the barcodes on the mailpieces within those mailings, and whether the barcodes matched the correct address or the incorrect address. To state that a lack of nexus exists between these question and the issues which must be

addressed in this rate case is to state the obvious. The Postal Service objects on that basis.

The Postal Service objects to interrogatory DBP/USPS-26(c-e) on grounds of relevance. These questions ask about the shipping and handling charge for items purchased from the Philatelic Fulfillment Service Center (PFSC), and its application to orders for printed stamped envelopes. The questions are similar to questions that Mr. Popkin asked in Docket No. R97-1 (DBP/USPS-54(kk-pp)), to which the Postal Service objected. The Presiding Officer determined that "the information at issue [in these interrogatories] is beyond the scope of this proceeding and need not be answered." Presiding Officer's Ruling No. R97-1/53 at 7. Moreover, Docket No. C95-1 has already affirmed that this shipping and handling charge may be applied to orders for printed stamped envelopes even though the charge is a philatelic charge not subject to Commission review. The Commission concluded that:

The additional charges for shipping and handling apply to all orders placed with the PFSC through its catalog sales program. The Commission has held that such charges do not constitute "fees for postal services" within the scope of 39 U.S.C. § 3662. PRC Order No. 1075 at 5.

PRC Order No. 1088 at 3-4. This determination should provide a complete response to Mr. Popkin's questions.

The Postal Service objects to interrogatories 28 through 36, which consist of multiple questions regarding minute details related to acceptance availability, acceptance cut-off times, available delivery areas, and other details of Express Mail service. The grounds for objection are as follows:

1. The information sought, while of interest to Mr. Popkin, appears to have only marginal relevance to the issues of this case.
2. The interrogatories are not reasonably calculated to lead to the production of admissible evidence.

3. To provide a response to all subparts of these detailed questions would impose an undue burden on the Postal Service.

Interrogatories 28-36 are similar to interrogatories DPB/USPS-10-12 requested by Mr. Popkin in Docket No. R97-1. In that case, the Presiding Officer ruled that the Postal Service needed to respond only to questions which sought general information about Express Mail service. With respect to the remaining questions, the Presiding Officer concluded that "generally the operational details of a service are beyond the scope of material issues in a rate proceeding." See Presiding Officer's Ruling No. R97-1/53, at 5; Presiding Officer's Ruling No. R97-1/80, at 2-3.

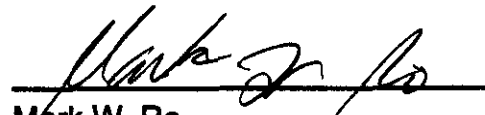
In accordance with the Presiding Officer's rulings in Docket No. R97-1, the above-referenced interrogatories are not within the bounds of appropriate discovery. The information sought is of little relevance and is not reasonably calculated to lead to the production of admissible evidence, and responding to them would impose an undue burden on the Postal Service. Therefore, the Postal Service objects.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

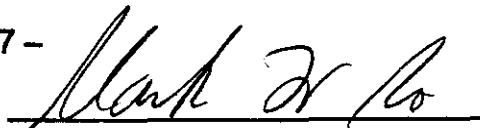
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Chief Counsel, Ratemaking

  
Mark W. Ro

#### 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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A handwritten signature in cursive script, appearing to read "Mark W. Ro", is written over a horizontal line.

Mark W. Ro

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