

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

OPPOSITION OF UNITED STATES POSTAL SERVICE TO UPS MOTION TO
COMPEL PRODUCTION OF INFORMATION AND DOCUMENTS REQUESTED IN
INTERROGATORIES UPS/USPS-T34-11 TO WITNESS ROBINSON
(March 24, 2000)

On February 16, 2000, the United Parcel Service (UPS) filed interrogatory UPS/USPS-T34-11 to Postal Service witness Robinson. Subpart (a) of this interrogatory requests identification of all systems maintained by the Postal Service which measure actual service performance for Priority Mail, to provide all manuals, guidelines, directives, or other documents which indicate how measurements are made and all results for all such systems for each year from FY 1990 through the present time. Subpart (b) requests the Postal Service to identify and describe the Postal Service system known as, or identified by the acronym PETE.

The Postal Service objected to provision of the requested information on February 28, 2000, contending that the request was overbroad, would impose an undue burden on the Postal Service, and would inevitably require the disclosure of proprietary, commercially sensitive and confidential information pertaining not only to the Postal Service, but also to the firms with which the witness has been associated.

On March 13, 2000, UPS moved to compel production of the information requested in these interrogatories, arguing that the information is highly relevant to the determination of proper rates for Priority Mail, and that the requested information can

be provided without undue burden, and without injury to the Postal Service's legitimate interests. The Postal Service hereby opposes the motion to compel.

Not only are the Postal Service's concerns regarding the scope and burden of UPS's interrogatories reasonable under the circumstances, but there is no question that the UPS request would require the production of sensitive and confidential business information that is entitled to protection.

With respect to interrogatory 11(a), the Postal Service does have a system to measure actual service performance of Priority Mail. That system is PETE, which stands for Priority End to End System. PETE was initiated in accounting period 5 of fiscal year 1997. The PETE system is contracted out to PriceWaterhouseCoopers ("PWC"), who administers the program. As such, the Postal Service possesses very little documentary information that would be responsive to UPS interrogatory 11(a). The only publication issued by the Postal Service on PETE is a descriptive brochure which already been submitted by the Postal Service in its response to interrogatory DFC/USPS-49 on March 2, 2000.

Furthermore, the Postal Service has determined that PWC does not have any manuals, guidelines, or directives indicating how measurements are made, nor how the PETE system operates. The only PWC document that could arguably be said to respond to UPS's request is PWC's proposal when bidding for the PETE contract. However, providing this document would inevitably require the disclosure of proprietary, commercially sensitive and confidential information, disclosure of which PWC considers harmful to its interests in future negotiations. Because of the importance of the unique and financially significant cooperative business venture undertaken with PWC, the Postal Service has no option but to defend commercial information deemed sensitive by its business partner.

Furthermore, any detailed information regarding the internal functions of the PETE system should be kept confidential to protect the integrity of the system. This confidentiality is vital to prevent possible manipulation of the results by persons inside or outside the Postal Service, who may have an interest in the performance results of Priority Mail.

UPS contends that publication of PETE information on Priority Mail performance constitute a waiver of any claim of confidentiality regarding the materials it now seeks. It is apparent from casual inspection that the publications UPS refers to are internal Postal Service newsletters, whose intended audience is Postal Service employees. The fact that UPS was somehow able to obtain these publications does not warrant blanket disclosure of any and all PETE system information. Furthermore, the information published was very limited, and did not disclose the methodology used in calculating the performance measures. The fact that the Postal Service has chosen in some unrelated contexts to provide certain limited Priority Mail performance information to its employees says nothing about the confidentiality and commercial sensitivity of the performance measurement criteria and other information sought to be protected in this instance. The published information, moreover, do not reveal any of the detailed information contained in the proposal which PWC and the Postal Service now seek to protect.

In the event that disclosure of the materials sought by UPS is deemed warranted, the Postal Service strongly urges the Commission to condition any such disclosure upon the application of protective conditions at least as strict as those governing the limited disclosures ordered in Docket No. R97-1.

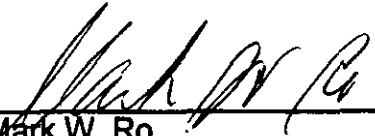
With respect to interrogatory 11(b), the Postal Service is prepared to withdraw its objection to this question. It appears that the Postal Service has previously answered a similar question. See response to DFC/USPS-49, filed on March 2, 2000.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Rate-making

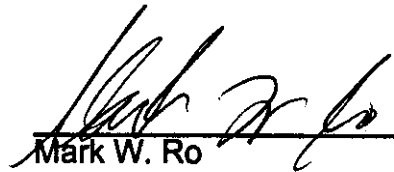


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March 24, 2000

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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