

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

**UNITED STATES POSTAL SERVICE  
OBJECTION TO INTERROGATORY OF UNITED PARCEL SERVICE  
UPS/USPS—6**

On April 5, 2000, United Parcel Service (UPS) filed institutional interrogatory UPS/USPS-6. This interrogatory is untimely, redundant, overbroad, immaterial and unduly burdensome, and on these bases the Postal Service objects. UPS/USPS-6 inquires about materials provided in USPS-LR-I-194 under protective conditions on March 3, 2000. That library reference contains electronic input and output files that UPS has used successfully to replicate the Bulk Revenue, Pieces and Weight (BRPW) results presented by witness Hunter, USPS-T-5.

BRPW records reflect all bulk mail entered at PERMIT facilities during an accounting period (AP) differentiated using VIP codes by the respective data elements that appear on postage statements. BRPW records thus depend upon the most critical and sensitive information within the Postal Service, mailing activity of specific mailers at specific facilities throughout the United States. Since postage statements are the basis for financial transactions whereby mailers pay for their mail, massive resources are also dedicated to ensuring their accuracy. Postage statement is collected at each PERMIT facility, a function that is similar to use of a single cash register. PERMIT data are stored separately for

each finance number, and its executable file runs against a single finance number at a time. In order to roll the information up nationally, information is first stored by finance number at one of 85 district offices, which are polled each AP by a San Mateo main frame computer; this main frame outputs files that comprise the BRPW inputs. This resource intensive process is designed and intended not just to collect information for rate case purposes, but to provide postal management current information on volume and revenue that informs the exercise of business judgment. PERMIT System data have been used for many years in rate cases; since the last omnibus rate case introduced for the first time bulk parcel rates, it should be no surprise that it now reports substantial parcel post volume – indeed more than 99 percent.

UPS has pursued its espoused goal of replicating the BRPW system at great length in this proceeding. Information that has never been required for a ratemaking proceeding has been sought and provided. Hundreds of interrogatories have been propounded by the many UPS consultants to the one BRPW witness, and while he has worked extremely long and hard to respond, he is still dealing with a number of legitimate interrogatory requests.

UPS/USPS-6 is an apparent continuation of UPS' attempt to reconstruct the entirety of the Postal Service's data system from postage statements to rate case testimony. The Postal Service concedes that digging through the many layers of an information system can, in principle, be construed as relevant: the rate case testimony relies upon BRPW to provide estimates of revenue, pieces and weight; BRPW relies upon CBCIS to provide input information (see USPS-LR-I-279);

CBCIS relies upon PERMIT; PERMIT relies upon mailers and business mail entry personnel for accurate mailing statements; mailers rely upon their knowledge of business mail entry requirements to present for entry appropriately prepared mail; business mail entry personnel rely upon their training, supervision, automated tools and pride to do their jobs correctly; both business mail entry personnel and mailers rely upon postal publications and regulations, which in turn are dependent upon their writers to convey requirements and suggestions accurately; the writers in turn rely upon the DMCS and the advice of other knowledgeable postal officials to create high quality work product; many of these individuals also rely upon electronic calculators for various aspects of their work; as such they also rely upon the accuracy of those calculators and the appropriate completion and implementation of their designers' work. So while the theoretical relevance of these chains of reliance can be established, they cannot all necessarily be material in a context of less-than-infinite resources and a 10-month procedural schedule. Rule 31(k) recognizes this by requiring only that input and output files be made available upon request.

In this proceeding, UPS has devoted extensive resources to examination of how BRPW works, and perhaps appropriately, this examination has extended primarily to the computer code that creates the BRPW results as well as the PERMIT System link between postage statements and the beginning of the electronic chain of events that leads to BRPW.

UPS/USPS-6, however, seeks to plow a vast area of new ground at a time after the period for discovery against the Postal Service direct case expired on

March 23, 2000. Part (a) begins, "Provide all programs, documents, analyses and any other information used to aggregate each postage statement transaction . . ." This would start with the tens of millions of postage statements, include the more than 2,300 PERMIT System offices, the 85 district offices, and the main frame computer. As such, many months of effort would be required. Moreover, UPS has previously sought this information, and the Postal Service has filed its objections. See, e.g., *Objection Of United States Postal Service To Interrogatories Of United Parcel Service*, UPS/USPS-T5-40(C), 58(B-C), 82 and 87 (*Filed Under Protective Conditions*, April 3, 2000) (incorporated herein by reference); *Partial Objections Of United States Postal Service To Interrogatories Of United Parcel Service*, UPS/USPS-T5-6(a), -7(b), -9(a), -12 and -16 (February 22, 2000) (also incorporated herein by reference). Part (a) is thus untimely, redundant, overbroad, immaterial and unduly burdensome.

Part (b) of UPS/USPS-6 begins, "Provide all documents, programs, analyses, and any other information used in correcting PERMIT System and manual data before it is aggregated and sent to Mr. Hunter." UPS here again makes absolutely no attempt to limit the scope of its request to any reasonable bounds. Mailers and business mail entry personnel work together to correct postage statements where it is necessary to do so prior to entry of postage statement information into the PERMIT System as well as later, and UPS has already obtained information about those processes. Tr. 2/828-30, 868. Part (b) thus also is untimely, redundant, overbroad, immaterial and unduly burdensome.

Part (c) states, "Provide all documents, programs, analyses, and any other information used in correcting PERMIT System and manual data after it is aggregated and sent to Mr. Hunter but before he performs the iterative "correction" process he described in the technical conference held on March 20, 2000." The information he uses is passed unchanged from the PERMIT System to him, so any changes are ones that he has already documented. Depending upon how this interrogatory is interpreted, the answer is either "no such information exists" or it is unduly burdensome. Mr. Hunter explained in the technical conference that throughout the year, his job requires that he conducts iterative analyses in order to assure that quality data are provided by BRPW. His code incorporates many edit checks which, if they trigger an abort, require him to examine the data and determine what problems exist and how they can be remedied. One purpose in providing his input and output data is for UPS to confirm that the data relied upon in this proceeding passes all those checks. The burden of this request accordingly manifests itself in that it asks for virtually everything that witness Hunter has done for the last few years. Attempting to provide all such information would require months of effort with little likelihood of ultimate success, and all for no purpose pertinent to a rate case. Assuming information responsive to Part (c) exists, this interrogatory is untimely, redundant, overbroad, immaterial and unduly burdensome.

Part (d) states, "Provide all documents, programs, analyses, and any other information (including, if available, SAS log files of LR-I-194 SAS programs JOB1 JOB2 and JOB3) resulting from the iterative "correction" process Mr. Hunter

described in the technical conference ....” UPS has previously requested SAS logs, and the Postal Service filed its objection. See *Objection Of United States Postal Service To Interrogatory UPS/USPS-T5-30* (March 27, 2000) (incorporated herein by reference). The bases for objecting to Parts (a-c) also apply here.

Interrogatory 6 is neither styled as follow-up discovery, nor does the question itself cross-reference any prior response of the Postal Service to discovery. The Postal Service accordingly objects to this interrogatory on grounds that it is untimely filed under the procedural schedule in P.O. Ruling No. R2000-1/4 and under Rule 25(a) of the Commission’s Rules of Practice and Procedure.

Rule 25(a) is the successor to Special Rule of Practice 2E, which was routinely used in Commission practice.<sup>1</sup> Rule 25(a) provides that “[g]enerally, discovery against a participant will be scheduled to end prior to the receipt into evidence of that participant’s direct case.” This date was set as March 23 under P.O. Ruling No. R2000-1/4. An exception in Rule 25(a), which is identical to former Special Rule 2E, permits participants to request “information (such as operating procedures or data) available only from the Postal Service.” As clearly stated in Rule 25, however, the exception for operating procedures or data is “permissible only for the purpose of the development of *rebuttal testimony* . . . .” Rule 26(a) (emphasis added). PRC Order No. 1284 makes clear the intent of this wording of this exception is to maintain consistency with prior precedent. PRC Order No. 1284 at 8. Thus, under longstanding Commission precedent

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<sup>1</sup> Rule 25(a) was adopted in its present form in accordance with Order No. 1284,

interpreting Special Rule 2E, discovery would not be permissible for the purpose of preparing rebuttal to *the Postal Service's* direct case. Rather, discovery under the exception for data and operating procedures is available only for the purpose of rebutting *other participants' cases-in-chief*, *not* the Postal Service's direct case. See, e.g., P.O. Ruling Nos. R97-1/85, R97-1/89, MC96-3/36 at 3, MC96-3/21.<sup>2</sup> As clearly provided in P.O. Ruling No. R97-1/85, if discovery against the Postal Service were permitted to continue after the close of discovery on the Postal Service's case-in-chief, "the discovery cutoff date [on the Postal Service's direct case] would have little meaning." See P.O. Ruling No. R97-1/85 at 4.

Indeed, Order No. 1284 embodies this, as the Commission deliberately modified the language in former Special Rule 2E when it adopted Rule 25(a) so as to make clear that discovery under the exception is available *only* for the purpose of the preparation of rebuttal testimony. PRC Order No. 1284 at 8.

Here, UPS cannot possibly direct discovery to the Postal Service for purposes of the preparation of rebuttal testimony to other participants' cases-in-chief, since the other participants have not even filed any cases-in-chief. To the extent UPS intends interrogatory 6 for the purpose of rebutting the Postal

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which was issued on February 3, 2000, at the conclusion of Docket No. RM98-3.

<sup>2</sup> P.O. Ruling No. MC96-3/36 explained that Special Rule 2E "is limited to when a participant needs data available only from the Postal Service *in order to prepare testimony to rebut participants other than the Postal Service.*" (emphasis added)); Presiding Officer's Ruling No. MC96-3/21 similarly provides that:

Rule 2.E was generally intended to extend the otherwise applicable discovery period for information that can be obtained only from the Postal Service that is *needed to prepare rebuttal testimony.*

P.O. Ruling No. MC96-3/21 at 2 (emphasis added).

Service's direct case or preparing its case-in-chief, its opportunity to pose interrogatory 6 expired on March 23, twelve days prior to the date on which interrogatory 6 was actually filed. UPS, moreover, did not accompany its discovery request with a request for leave to file its discovery out of time, and on the face of the question, there is no reason why interrogatory 6 could not have been filed on or before March 23. Indeed, as explained above, UPS did pose similar if not identical interrogatories. Hence, interrogatory 6 is clearly filed out-of-time.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

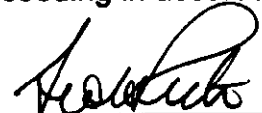
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April 17, 2000

#### 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.

*for*   
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