

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 THE UNITED STATES POSTAL SERVICE
TO CARLSON MOTION TO COMPEL A RESPONSE TO DFC/USPS-70
(April 17, 2000)

In accordance with Rule 26 of the Commission's Rules of Practice and Procedure, the United States Postal Service hereby files this opposition to the motion of Mr. Carlson to compel a response to DFC/USPS-70. For the reasons stated below, the motion should be denied.

Filed on March 20, 2000, the interrogatory asks the Postal Service to "provide recent national EXFC performance data for every category available (e.g., flats, letters, SPR's; handwritten, typewritten, bar-coded, etc.)." The Postal Service filed its objection to DFC/USPS-70 on March 30, 2000. The arguments made by Mr. Carlson in support of his motion only serve to validate the Postal Service's objection.

Mr. Carlson argues that "[s]ince Priority Mail and Standard (B) are much more likely to transport flats and parcels than letters, the delivery performance data specifically for First-Class Mail flats and SPR's will provide a benchmark for comparing the value of First-Class Mail with the value of Priority Mail and Standard (B). These specific data will be more useful than aggregate data that include letters." Carlson Motion at 1-2. Although the context in which the requested disaggregated data would be useful is not clear, it is not postal ratemaking.

Service performance data are relevant to postal ratemaking, insofar as they can inform the Commission (1) how well a subclass, as a whole, performs against its service standard; (2) how comparatively well different subclasses, as a whole, perform against

their respective service standards, or (3) how different subclasses, as a whole, compare -- to the extent that there are data reflecting performance for which the different subclasses have overlapping service commitments. In other words, for example: (1) To what degree is First-Class Mail, as a whole, delivered within standard? To what degree is Priority Mail, as a whole, delivered within standard? (2) Where the service standards are equivalent (or roughly so, as for overnight First-Class Mail and Priority Mail), how does First-Class Mail performance, as a whole, compare to Priority Mail performance, as a whole?¹

The Commission does not make § 3622(b)(2) determinations on the basis of the shapes of mail pieces within a subclass or how pieces of one shape within Class A are delivered in comparison to similarly-shaped pieces in Class B. Section 3622(b)(2) is applied to a subclass in the aggregate, irrespective of whether service performance for differently-shaped pieces within that subclass are above or below the average subclass service performance level. Until such time as the Domestic Mail Classification Schedule makes subclass distinctions solely on the basis of shape, we must accept the existing subclasses for what they are and compare them on the basis of what they are. The relative degree to which First-Class Mail, Priority, or Standard (B) flats are delivered within standard is one of innumerable pieces of postal trivia. However, it is a piece of trivia which is immaterial and irrelevant to the exercise presently being performed by the Commission under § 3622(b)(2), which is to make determinations concerning each subclass, in the aggregate, based on whatever data best serves as a measure of (or a proxy for) the service performance of that subclass, as a whole.²

¹ Putting aside for the moment that neither EXFC nor PETE is designed to provide a systemwide measure of service performance.

² It is immaterial that, presently, only flat-shaped Priority Mail pieces are measured by PETE. For purposes of § 3622(b)(2) analysis, those data serve as a

At one point, Mr. Carlson argues that the requested data are needed in order to determine how § 3622(b)(2) should be applied to the mail "typically" sent by "households" vs. "large commercial customers." Carlson Motion at 2. Further down that page, he argues that he needs prebarcoded letter EXFC data in order to explore the application of § 3622(b)(2) to a Courtesy Envelope Mail rate category. However, the requested data would not aid in such a misguided analysis. First, the Commission does not make determinations under § 3622(b)(2) on the basis of whether a mail piece within a subclass is sent by a "household" or "commercial" mailer. Household and commercial customers send flats, parcels and SPR's in First-Class, Priority, and Standard (B); both send prebarcoded letters; both send typewritten letters. And household mailers do not hold an exclusive franchise on First-Class Mail pieces addressed by hand. Within single-piece First-Class Mail, prebarcoding is not unique to courtesy reply envelopes sent by households. Single-piece mail sent by commercial entities also is prebarcoded. Several worksharing rate categories used by commercial mailers require prebarcoding. EXFC data for prebarcoded pieces provide no basis for distinguishing between the level of service provided to household and commercial mailers. Mr. Carlson's attempt to obtain sanctuary at the altar of Courtesy Envelope Mail does nothing to validate his request.

On page 2 of his Motion, in connection with footnote 2, Mr. Carlson argues that the Postal Service provided the same or similar information in response to a Docket No. R97-1 interrogatory. Even assuming that to be so, it is immaterial to this dispute. In each omnibus rate proceeding, the Postal Service makes hundreds, if not thousands, of determinations which reflect its desire to avoid burdening the Commission with the responsibility of resolving the validity of each and every discovery request for non-

proxy for the Priority Mail subclass in the aggregate.

privileged information which is irrelevant or immaterial to the issues in the case. Any tolerance of such a request for immaterial or irrelevant data does not make that request or a repeat of that request legitimate. Nor does such tolerance constitute a waiver of the Postal Service's right to seek protection from the burden of providing such immaterial and irrelevant information in the future. The Postal Service's ratemaking litigation resources are not infinite. Any party who seeks to tax those resources, and who is unable to lay a foundation for an interrogatory which is related to ratemaking, should be disabused of the notion that discovery can be used to obtain data solely on the basis that the data exist. When parties are unable rein themselves in, the Postal Service is entitled to seek relief from the Commission.

In a similar vein, the provision of complete Origin-Destination Information System Quarterly Service Reports (USPS-LR-I-170) in response to Rule 54(n)(2) does not constitute an admission that all data contained in that Library Reference are required for compliance with that rule or are material or relevant to ratemaking. The Reports are compiled internally by the Postal Service for purposes unrelated to ratemaking, and contain some disaggregated information unnecessary to the application of § 3622(b)(2), such as ODIS data for "stamped" and "metered" First-Class Mail. The published QSRs are submitted in conjunction with the Postal Service's compliance with Rule 54(n)(2), only because it would be unduly burdensome to create redacted or edited versions solely for purposes of complying with the rule. In fact, the rule explicitly contemplates such circumstances, by indicating that required information "may be provided by reference to published documents or otherwise." 39 C.F.R. § 3001.54(n)(2).

Accordingly, the Motion To Compel should be denied.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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Michael T. Tidwell

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.



Michael T. Tidwell

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