

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
INTERROGATORIES DFC/USPS-81-84 OF DOUGLAS F. CARLSON
(April 20, 2000)

The United States Postal Service hereby objects to interrogatories DFC/USPS-81 to 84, filed by Douglas F. Carlson on April 10, 2000, and directed to the Postal Service, on the grounds of relevance and timeliness. These interrogatories were filed more than two weeks after the close of discovery on the Postal Service's direct case. Many of these interrogatories are presented as follow-up to witness Yezer's responses to DFC/USPS-T31-2 and 3, but in fact they concern issues that were presented in the Postal Service's original testimony, filed January 12, 2000.

Interrogatories DFC/USPS-81 and 82 ask a variety of questions about the ownership of postal facilities, purportedly as follow-up to witness Yezer's response to interrogatory DFC/USPS-T31-3. In response to interrogatory DFC/USPS-T31-3, witness Yezer stated that "government ownership of buildings did not play a role in my analysis," and that his "econometric estimates were based on buildings for which there was lease information." However, these facts were clear from his testimony, which did not include ownership when listing the factors that witness Yezer did consider. USPS-T-31 at 4-8. Witness Yezer's testimony also specified that his analysis was based on data for leased properties, but was applied to both leased and owned facilities. USPS-T-31 at 3, 9-10. Thus, these questions could have been asked before witness Yezer responded to interrogatory DFC/USPS-T31-3, and are not proper follow-up.

Moreover, the Postal Service fails to see the relevance of these ownership questions to the Postal Service's post office box proposal, or otherwise to the rate case.

Interrogatories DFC/USPS-83 and 84 ask about the Postal Service's approach to expanding box service. Witness Kaneer discussed how his reclassification proposal would improve the incentive for the Postal Service to expand post office box service in his direct testimony. USPS-T-40 at 6, 27-29. Any discovery on this matter thus could have been directed to witness Kaneer during the period for discovery on the Postal Service's direct case.

The Postal Service also finds questions about expansion of box service to be of limited relevance to the Postal Service's post office box service proposal in this proceeding. The Postal Service seeks to make its pricing of post office boxes more cost-based, in response to the Commission's expressed interest in Docket No. R97-1, as well as statutory pricing criterion 3. The extent to which this proposal will affect management decisions to expand post office box service is at most a minor concern for a rate proceeding, and should not be a focus of discovery.

Finally, the Postal Service does not consider these interrogatories to be permitted as timely requests under Rule 25(a) for Postal Service operating data or procedures. That Rule states that "[d]iscovery requests of this nature are permissible only for the purpose of the development of rebuttal testimony." 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 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,

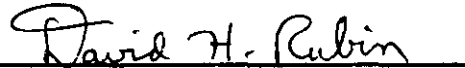
e.g., P.O. Ruling Nos. R97-1/85, R97-1/89, MC96-3/36 at 3, MC96-3/21.¹ As clearly provided in P.O. Ruling No. R97-1/85, if discovery against the Postal Service were permitted to continue after the close of discovery on the Postal Service's case-in-chief, "the discovery cutoff date [on the Postal Service's direct case] would have little meaning." See P.O. Ruling No. R97-1/85 at 4.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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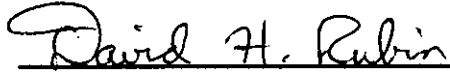
¹ P.O. Ruling No. MC96-3/36 explained that Special Rule 2E "is limited to when a participant needs data available only from the Postal Service *in order to prepare testimony to rebut participants other than the Postal Service.*" (emphasis added)); Presiding Officer's Ruling No. MC96-3/21 similarly provides 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).

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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