

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  
MOTION TO COMPEL E-STAMP  
TO RESPOND TO INTERROGATORY USPS/E-STAMPS-T-1-1  
(July 7, 2000)

Pursuant to rules 26(d) and 27(d) of the Rules of Practice and Procedure, the United States Postal Service respectfully moves to compel E-Stamp to respond to interrogatory USPS/E-STAMPS-T-1-1.

The interrogatory in dispute seeks the production of E-Stamp customer demographic data used to formulate the testimony of E-Stamp witness Jones (E-Stamp-T-1). E-Stamp contends that the information is "confidential and proprietary," and that the "revelation of such information could compromise E-Stamp's competitive position." Similar contentions were made by Stamps.com, and are the subject of pending motions to compel.

Title 39 of the United States Code provides:

The Commission shall make a recommended decision on establishing or changing the schedule in accordance with . . . the following factors: (1) the establishment and maintenance of a fair and equitable classification system for all mail; (2) the relative value to the people of the kinds of mail matter entered into the postal system and the desirability and justification for special classifications and services of mail . . .

Id. at § 3623(c)(1)-(2).

E-Stamp has proposed a change in the mail classification schedule. The requested information is relevant to an evaluation of the fairness and equity of the

proposed classification, as well as its desirability and its justification. The information also could help in determining the relative value to the people of such a new classification. Since E-Stamp relied upon the data in developing its classification proposal, other parties are entitled to examine the extent and nature of that reliance.

E-Stamp has presented testimony, through its witnesses Jones and Prescott, that can only be fully understood in light of the requested information. A critical issue related to the proper pricing of the proposed classification is the benchmark from which avoided cost should be measured. Witness Prescott claims that Bulk Metered Mail (BMM), adjusted for non-presortation, is the appropriate benchmark for measuring the cost avoided by IBIP. See E-Stamp-T-1 at 8. This is in contrast to Stamps.com, who has suggested a discount based on handwritten addressed mailpieces. See Stamps.com-T-1 at 10. A thorough evaluation of the PC-postage discount proposals submitted by both E-Stamp and Stamps.com is impracticable without the requested demographic data.

At page 14 of E-Stamp-T-1, witness Jones alleges that an IBIP discount will increase the attractiveness of using PC-postage. It is virtually impossible for the parties to assess the validity of that claim without knowing whom the current and projected markets are for this product.

Second, the objection based on commercial sensitivity must fail. Earlier in the proceeding, the Presiding Officer ruled:

[T]here is ample Commission precedent to indicate that the mere fact that a document may contain sensitive business information does not of itself preclude the production in a proceeding, although it may be subject to protective conditions.

Presiding Officer's Ruling No. 2000-1/53 (April 27, 2000). The Postal Service has no objection to the application of such conditions as were found to be appropriate in Presiding Officer's Ruling No. 2000-1/20 (March 27, 2000).


For all these reasons, the Presiding Officer should compel E-Stamp to respond to interrogatories USPS/E-STAMP-T-1-1. If necessary, the Presiding Officer should consider conditional disclosure of the requested information upon the application of such protective conditions as are deemed appropriate to protect the proprietary, commercial and competitive interests of E-Stamp from harm.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

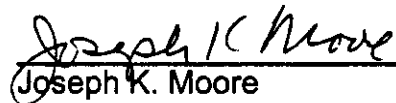
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July 7, 2000

**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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