

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

**PARCEL SHIPPERS ASSOCIATION (PSA) MOTION TO COMPEL
RESPONSE OF UNITED PARCEL SERVICE TO REQUEST FOR
PRODUCTION OF INFORMATION AND DOCUMENTS**

On July 17, 2000, United Parcel Service (UPS) filed objections to PSA/UPS-7 (in part), 8, and 9 (in part).

1. PSA/UPS-7 asked UPS to supply the UPS delivery standards for its ground parcel delivery service, and its compliance with those standards, for the purpose of comparing its performance with that of the United States Postal Service's Parcel Post delivery performance. UPS witness Sappington had testified that Parcel Post delivery had improved but said that he did not have the information needed in order to compare the performance of Parcel Post with that of United Parcel Service or any of the other competitors of Parcel Post. While UPS did supply its delivery standards, it declined to provide the data that would measure its achievements of those standards, objecting on the ground that the request was unduly vague, was not relevant to the issues, and was commercially sensitive. The information requested is relevant to the issues in this proceeding because UPS witness Sappington has testified that Parcel Post value of service has increased because its delivery performance has increased. It is relevant to know whether the principal competitors of Parcel Post delivery have also improved their

performance standard so as to know whether, in a comparative sense, the value of service of Parcel Post has improved.

2. PSA/UPS-8 requested UPS to supply information which would permit a comparison of the growth in Parcel Post ground parcel shipments to those of United Parcel Service in the 1990s. United Parcel Service responded that the categorization of "ground parcel shipments" is unduly vague; and moreover that isolating ground parcel shipments during the 1990s would require a special study thereby imposing an undue burden. UPS witness Sappington testified that Parcel Post volume had grown in the 1990s but that he did not know whether Parcel Post had lost, maintained, or increased its share of that parcel delivery market, and did not have any information about United Parcel Service's share of the market or its volume growth during that period. Since it was UPS witness Sappington who maintained that Parcel Post had increased its volume growth and, therefore, was sufficiently robust to sustain a higher cost coverage, we argue that it is relevant to the issue of the health of Parcel Post, and whether it has lost, maintained, or increased its market share, to know the performance of its principal competitor during that period of time.

3. PSA/UPS-9 requested UPS to supply the information on the performance by UPS with respect to the value of service standards identified by UPS witness Sappington. Witness Sappington, while testifying that Parcel Post value of service had increased because of its performance in connection with a variety of standards that helped define value of service, stated his inability to compare Postal performance with that of USPS competitors, including United Parcel Service, because he had no data "on

the performance and internal operations of private competitors....” Again, we argue that it is not possible to judge the value of service of Parcel Post in a vacuum; it must be compared to the value of service of its competitors and therefore data about those competitors is relevant to the issues in this proceeding.

The issues involved in this particular Motion to Compel are comparable to the issues implicated in the PSA Motion to Compel filed on July 6, 2000. The Presiding Officer has yet to rule on that Motion. Rather than reiterate the arguments advanced in that Motion we would simply rely on them. Additionally, however, since filing that Motion, there has been a Presiding Officer Ruling that may be a useful precedent in the determination of not only the PSA Motion to Compel filed on July 6, 2000, but for the instant Motion as well. In Presiding Officer’s Ruling No. 2000-1/97, the Presiding Officer had occasion to discuss P.O. Ruling No. R97-1/104, wherein PSA had requested confidential information concerning a UPS product that was in direct competition with the Postal Service. The Presiding Officer noted that, in denying the PSA Motion in that case, the ruling made a distinction between the burden of the Postal Service versus a competing private enterprise in providing sensitive business information. The Presiding Officer went on to hold that such a distinction still existed, but that it did not control in the Ruling at hand where the Postal Service had requested sensitive information from a participant in the case. As the Presiding Officer stated: “Both parties, as opposed to the Postal Service, are the proponents of proposals that change rates and classifications....The probative value of this information outweighs the confidentiality concerns.” In this proceeding it is UPS who is the advocate of a significant change in Parcel Post rates, a

far more dramatic change than that proposed by the Postal Service. The Presiding Officer's logic in the cited ruling would seem to inform this case where, because UPS is the proponent of a major rate change for Parcel Post, "[t]he probative value of this information outweighs the confidentiality concerns." (Ruling, page 11)

Respectfully submitted,

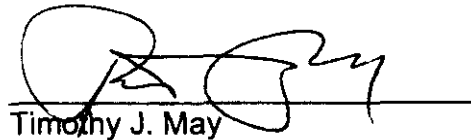


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CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the Postal Service by hand and by First-Class Mail upon all participants in this proceeding requesting such service.



Timothy J. May

Dated: July 28, 2000

**ERRATUM OF PARCEL SHIPPERS ASSOCIATION FOLLOW-UP
INTERROGATORIES TO UNITED PARCEL SERVICE**

PSA/UPS-7

In response to PSA/UPS-T6-6, filed on June 27, 2000, UPS witness Sappington responded that he did not know the delivery performance of United Parcel Service and therefore he was not able to compare USPS Parcel Post delivery service with United Parcel Service's delivery performance. Please provide the delivery standards for United Parcel Service ground parcel delivery service, and provide the data which measures the UPS achievement of its standards.

PSA/UPS-8

UPS witness Sappington responded to PSA/UPS-T6-9, which asked him to compare the growth of United Parcel Service ground parcel shipments during the 1990s, the period in which witness Sappington said that Parcel Post volumes had grown substantially, with Parcel Post growth. Witness Sappington in effect said he had no information about United Parcel Service's share of the market in that period nor its volume growth. Please supply the information requested of UPS witness Sappington in that interrogatory.

PSA/UPS-9

Witness Sappington responded to PSA/UPS-T6-10 by stating that he could not compare Parcel Post performance of the standards defining value of service with UPS' performance of those standards because he had no data "...on the performance and internal operations of private competitors...." Please provide the information on UPS performance requested in PSA/UPS-T6-10 (b).