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Aug 29 9 10 AM '00
BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001
POSTAL RATE COMMISSION
OFFICE OF THE PRESIDENT

POSTAL RATE AND FEE CHANGES, 2000

Docket No. R2000-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE IN OPPOSITION TO
JOINT MOTION OF ABA, NAPM, AND MMA TO STRIKE THE POSTAL SERVICE'S
SUPPLEMENTAL RESPONSE TO P.O. RULING NO. R2000-1/116
(August 29, 2000)

On August 25, 2000, the Postal Service provided a supplemental response to Presiding Officer's Ruling No. R2000-1/116, issued on August 11, 2000. This response supplemented the response originally filed on August 18, 2000. The need to supplement was caused by the availability of additional information, the purpose of which was discussed in both the original and supplemental responses. On August 28, 2000, ABA, NAPM, and MMA filed a joint motion to strike portions of the supplemental response, and to reject some the library references (LR-I-477, 478, 481, and 482) associated with it.¹ The Postal Service hereby opposes that motion.

The Postal Service offers a hopefully less inflammatory summary of the salient facts, relative to the version incorporated into the motion. The instant controversy has its roots in the request of the moving parties to have the Presiding Officer require the

^{1/} It is not clear what "portions" of the supplemental response would be left if the vaguely-defined "portions" relating to those library references were to be stricken. Perhaps what is intended is that the portions that refer to LR-I-479 and 480, which concern BRM cost avoidances, would be left. It is distinctly unclear, however, why those library references, which have the same origin as 477, 478, 481, and 482, should be afforded any different treatment than the other four references which the parties seek to have excluded. As far as the Postal Service is concerned, the entire supplemental response and all six library references incorporated therein should be treated as one entity for purposes of evaluating their evidentiary status in light of the instant motion.

Postal Service to update certain library references with FY 1999 data. In his Ruling No. 116, despite the opposition of the Postal Service, the Presiding Officer did just that. The Postal Service thereafter filed its response, duly setting forth the new library references which constituted the requested updates of the original library references. In that response, however, the Postal Service also noted certain anomalous results which had already been highlighted in a question from the bench during hearings on other library references which also related to the FY 1999 updates. The Postal Service's original response explicitly mentioned that, because of its previously-stated belief that those results may have been the consequence of a 1999 change in IOCS processing methodology, it was exploring whether an alternative version of the requested updates could be done using the same (i.e., FY 1998) IOCS processing methodology as that upon which the original library references were based. The supplemental response did nothing more than report on the results of that exercise, in accordance with the time frame stated in the original response, which required extraordinary effort to make them available as soon as possible.

. According to the movants, what the Postal Service did is nothing less than to try to "sneak into the record an arbitrary and totally different methodology for measuring cost avoidances of First Class workshare mail." The facts do not support this accusation. The methodology in question was neither "arbitrary," nor "totally different." It was nothing more or less than the same methodology upon which the original library references were based. Allegations of this type would, if anything, seem to have been much more applicable to the methodology upon which the original August 18th response was predicated, not the methodology used in the August 25th supplemental response. Of course, in reality, the Postal Service throughout has not been motivated by any desire to "manipulate" the record, but instead by the goal of shedding as much light as possible on what all can agree is a complex and difficult objective – the

appropriate measure of worksharing discounts. If the moving parties feel a need to make accusations of bias, it is perhaps only because they are ascribing to others their own perspective on ratemaking litigation.

To suggest that the timing of the process by which rate case components have been updated to incorporate FY 1999 data has been less than ideal is to state the obvious. The Postal Service has emphasized all along the due process difficulties that updating would entail. The moving parties, however, act as if due process is a one-way street. The Postal Service objected to updating the requested materials, but when directed to do so, cooperated fully by producing as much information as it could on the date specified. The attitude of the parties seems to be that no matter how compressed the time allotted for information production, the Postal Service has no due process right to provide supplemental information even when their own witness states that he "would like to have had" exactly the information which the Postal Service's supplemental response incorporates. ABA&NAMP-ST-1, Page i, Revised 8/23/00. The Postal Service submits that its own due process rights would be violated were the record to be truncated in the way that the parties have requested.

In fact, however, the fundamental issue framed by the instant motion is fairly uncomplicated. Simply put, is the record better served by having available a version of the updated worksharing estimates based on the same methodology as that upon which the original estimates were based, or is it better served by having the only version of the update be one in which worksharing estimates are predicated upon a change in methodology that has apparent consequences that are not necessarily yet well understood? The Postal Service submits that the appropriate resolution of this question is fairly obvious. Put both versions into the record, and let the parties argue on brief the most appropriate way to apply the available data.

As noted in the Postal Service's August 25th supplemental response:

The Postal Service's consistent position has been and remains that the most appropriate data for use in this proceeding are the FY 1998 data upon which the Postal Service's proposals were based.

It was only over the opposition of the Postal Service that the library references in question were updated at all. Since the parties chose to extend the update process to the worksharing estimates, however, their efforts to avoid having the update process consider as much useful information as possible should be rejected. The motion to strike should be denied.

Respectfully submitted,

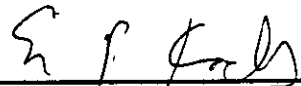
UNITED STATES POSTAL SERVICE

By its attorney:


Eric P. Koetting

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.


Eric P. Koetting

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August 29, 2000