

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, 2001

Docket No. R2001-1

PARTIAL OBJECTION OF THE UNITED STATES POSTAL SERVICE  
TO UPS INTERROGATORY UPS/USPS -7  
(November 13, 2001)

The United States Postal Service hereby partially objects to UPS/USPS-7, filed on November 1, 2001. The text of the question is attached.

The intent of the question is to probe the Postal Service's market research function. The Postal Service is willing to share certain of that information, but there are problems with the questions as posed by UPS. For example, the Postal Service's accounting information is not necessarily reported in a format conducive to responding to these inquiries. The Postal Service is still exploring how to address that challenge. More troubling, however, is the portion of the question which seeks a description of every individual market research project in 1999 and 2000, including a description of questionnaires and similar survey instruments. To the extent that the Postal Service and its contractors are conducting market research on new products or new product features, as well as on existing products of the type with which UPS competes, the nature of that research is commercially sensitive, and would not in good business practice be available to competitors. Moreover, since FY 2000 is the base year, the question appears to be overbroad, as the relevance of information from 1999 is questionable.

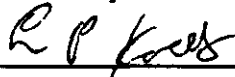
The Postal Service expects to file a partial answer to UPS/USPS-7. It does so

without waiving its objection that parts of the question are overbroad, and seek proprietary commercial information (which in many instances might be totally irrelevant to the issues in this proceeding).

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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November 13, 2001

**UPS/USPS-7. Refer to the Postal Service's response to Interrogatory UPS/USPS-1.**

- (a) Confirm that the total cost for Market Research Services in Fiscal Year 1999 was \$42,882,736. If not confirmed, provide the correct number.**
- (b) Confirm that the Fiscal Year 1999 cost for Market Research Services does not include the costs associated with internal Postal Service employees. If not confirmed, explain why not.**
- (c) In addition to the costs for Market Research Services, what were the internal Postal Service costs that were incurred in Fiscal Year 1999 to inform, support, or manage Market Research Services? Include the cost of all staff and staff-related costs in your answer.**
- (d) What is the cost of Market Research Services in Fiscal Year 2000? Provide the exact source, including page numbers, for your answers.**
- (e) In addition to the costs for Market Research Services, what are the internal Postal Service costs for Fiscal Year 2000 to perform, support, or manage Market Research Services? Include the costs of all staff and staff-related costs in your answer.**
- (f) Describe how the total costs for market research, including contractual services and internal Postal Service costs, are assigned to Postal Service products. If the costs for market research, including contractual services and internal Postal Service costs, are not assigned to Postal Service products, describe the reasons for not attributing these costs and all efforts made by the Postal Service to determine that it is not possible to attribute these costs.**
- (g) Describe each individual market research project conducted in 1999. Describe any questionnaires, discussion outlines, or other study instruments that were used in each project. Provide the cost of each project.**
- (h) Describe each individual market research project conducted in 2000. Describe any questionnaires, discussion outlines, or other study instruments that were used in each project. Provide the cost of each project.**