

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

OBJECTION OF UNITED STATES POSTAL SERVICE TO INTERROGATORY
UPS/USPS-T12-1 AND PARTIAL OBJECTION TO INTERROGATORY UPS/USPS-
T12-2(a) OF UNITED PARCEL SERVICE DIRECTED TO WITNESS PATELUNAS
(November 26, 2001)

The United States Postal Service hereby objects in full to interrogatory UPS/USPS-T12-1 and in part to interrogatory UPS/USPS-T12-2(a). The interrogatories are objectionable because responding to them would reveal facility-specific, pre-decisional and proprietary information. Also, the requested information is irrelevant.

UPS/USPS-T12-1 follows up on a previous response given by witness Patelunas (UPS/USPS-T6-2(a)(i), redirected from witness Tayman) by requesting "the supporting documentation and workpapers for calculating the costs to operate the Priority Mail Processing Center ("PMPC") network in-house for FY2001 and FY2002." In the referenced previous response, witness Patelunas gave an explanation of how the increase from FY2001 over FY2000 in Cost Segment 3 costs for Postal Service handling of PMPC activities was formulated. This explanation should suffice and further information is irrelevant. Also, as the earlier response indicated, site-specific information, including originating and destinating volumes and productivities were used to calculate workhours for each site. The Postal Service objects to providing such information as it has the potential to interfere with labor-management relations, as well as the potential to harm the Postal Service's competitive position.

The site-specific volume information and productivities are contained in an Appendix to a DAR. The DAR also contains facility square footage listings, which could be helpful to a competitor desiring to gather information on volume flows. The DAR further contains information concerning the Emery PMPC termination. The Postal Service is currently involved in ongoing negotiations on the PMPC claims and revealing such information could compromise the Postal Service's negotiating position, to the detriment of the Postal Service and to the ultimate detriment of postal ratepayers. The Postal Service believes that the DAR should not have to be produced. In addition to revealing proprietary site-specific information, producing the DAR would reveal pre-decisional material that served as an input into the decision-making process.

Moreover, there are not always specific calculations that neatly track all savings estimates. Initial projected savings derived from site-specific volumes and productivities can be subject to later adjustment due to changes in wage rates. Additionally, adjustments can be made as part of the normal give and take negotiations of the budget process, which reflect the fact that operating plan details change on a continuing basis. Thus, the DAR projections are irrelevant; what is relevant is what is contained in the case.

UPS/USPS-T12-2(a) requests an explanation for how "other than Cost Segment ("C/S") costs were estimated for operating the Priority Mail Processing Center ("PMPC") network in-house for FY2001 and FY2002" and further requests "supporting documentation." The Postal Service objects in part to this interrogatory. The Postal Service will provide an explanation for how the costs were derived, but it objects to providing the supporting documentation for all of the same reasons discussed above

with respect to UPS/USPS-T12-1.

The relevant information on how PMPC in-house costs were derived is contained in the case and has been amplified by further explanations provided in response to interrogatories. Pre-decisional and proprietary, site-specific information is not needed for an understanding of these costs and should not be required to be produced.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Susan M. Duchek

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.



Susan M. Duchek

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