

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

MOTION OF THE UNITED STATES POSTAL SERVICE FOR PROTECTIVE
CONDITIONS FOR OIG AUDITS PROVIDED IN RESPONSE TO POIR NO. 4,
QUESTION 5
(November 28, 2001)

The United States Postal Service hereby requests that the Commission establish protective conditions to govern access by other parties to two OIG audit reports, one dated March 30, 1999 and one dated October 31, 2000, concerning the Sales Force Augmentation Project. The audit reports are provided in response to POIR No. 4, question 5. The audit reports are being furnished today under seal to the Commission for *in camera* inspection prior to a ruling on this Motion.

The March 3, 1999 audit report dealt with a review of the Sales Force Augmentation pilot, which was geared toward establishing 12 major metropolitan areas for the project. The audit report contains OIG suggestions as well as Postal Service management responses. It details such items as projected revenue opportunities and projected expenditures for the project, actual net revenues for pilot offices and certain accounting period payment figures.

The October 31, 2000 audit report was a follow-up to determine if the program was achieving its objective of increasing revenues. Again, OIG recommendations and Postal Service management comments are included.

This report contains such items as projected revenue gains and numbers of customers contacted during the audit.

Such information is deserving of protection. It clearly would be of significant value to competitors who wished to target some of these same markets. This is especially true in light of the fact that the contract with the Sales Force Augmentation vendor is a public document and was provided as USPS-LR-I-202 in Docket No. R2000-1.

The proprietary nature of the information contained in both audit reports is best summarized in the comments of the Senior Vice President of Sales to the OIG in response to the draft of the October 31, 2000 report. Those comments, appended to the final report, state:

The contract [contained in USPS-LR-I-202] identifies each of the 12 geographical markets targeted for SFA efforts. Separately for each such market, it sets out an independently derived projection of the total number of prospects and the aggregate revenue potential for those prospects. Because the audit in its present form quantifies the actual size of the those markets as they have been developed by TIC Enterprises to date, a competitor is thus informed of the potential that its efforts might achieve, were it to target the markets with similar sales resources. In addition, the Postal Service has incurred expenses, and applied its own resources to discover the actual potential that these markets hold. Publication of the audit report in its present form would give that information to competitors without the burden of similar expense and resources, providing still additional competitive advantage to them. No business practice known would support giving such sensitive information to competitors.

The Postal Service thus moves that the standard protective conditions used elsewhere in this proceeding, for example in Presiding Officer's Ruling No. R2001-1/2, issued October 12, 2001, also be adopted here.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratekmaking



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

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2990; Fax -5402
November 28, 2001