

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

OBJECTION OF UNITED STATES POSTAL SERVICE TO INTERROGATORY OF
DAVID B. POPKIN – DBP/USPS-140
(January 11, 2002)

The United States Postal Service hereby objects to interrogatory DBP/USPS-140, filed on January 4, 2002. This interrogatory is objectionable because the requested information is irrelevant.

DBP/USPS-140 provides:

Please refer to your response to DBP/USPS-102. [a] Please confirm, or explain if you are not able to do so, that, in general, the costs to the transportation carrier will increase based on the distance the article is transported. [b] Please provide any reasons why you believe that FedEx's costs do not increase with the greater distance the article is transported. [c] Please confirm, or explain if you are not able to do so, that the rates that FedEx and the Postal Service arrived at are based on FedEx's belief that a certain profile of distances that articles are transported will exist. [d] Please confirm, or explain if you are not able to do so, that the rates that FedEx and the Postal Service will arrive at in the future will be based on FedEx's evaluation of the profile of distances articles are transported and will increase if there is an increase in the profile.

These questions are totally irrelevant to any transportation cost issues in this proceeding. Subpart [a] inquires about the cost structure of transportation carriers in general and subparts [b] and [c] inquire about the cost structure of FedEx in particular. What matters here are the costs the Postal Service is paying for transportation services from various carriers, not how and why those carriers establish the prices they charge. Moreover, even if these questions were relevant, the Postal Service is not privy to the internal details of FedEx's or other transportation carriers' cost structures. Subpart [d] asks the Postal Service (1) to speculate that the Postal Service and FedEx will enter

unspecified transportation contracts in the future, (2) to speculate that the rates for those unspecified contracts will be based on a particular thought process by FedEx, and (3) to speculate that those rates will increase if certain circumstances pertain. Such rank speculation about events that supposedly will occur at some unspecified future date has no place in this proceeding. The Postal Service may or may not enter into future contracts with FedEx and any rates arrived at may or may not be based on existing rates or on something entirely new. Furthermore, no matter what transpires, the Postal Service will not know what FedEx's thought processes or negotiating positions will be based on.

Mr. Popkin's interest in trying to divine the future is not relevant to this proceeding. The Postal Service thus should not be required to answer this interrogatory.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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January 11, 2002

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.



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