

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, 1997

Docket No. R97-1

OBJECTION OF UNITED STATES POSTAL SERVICE TO UNITED PARCEL
SERVICE INTERROGATORY UPS/USPS-T13-35(a)
(September 18, 1997)

The United States Postal Service hereby objects to United Parcel Service interrogatory UPS/USPS-T13-35(a), filed on September 8, 1997. The information requested is irrelevant, burdensome to produce and may contain commercially sensitive and proprietary matter.

UPS/USPS-T13-35(a) states:

In addition to the seven "key variables" you list on page 12 of your testimony, please identify and describe the specific information that is available in HCSS for each contract.

The requested information, which virtually encompasses the entire Highway Contract Support System (HCSS) is entirely irrelevant to witness Bradley's analysis, and indeed, misses the purpose of using the HCSS data.

As witness Bradley states, "In 1995, the Postal Service initiated a new contract management system entitled Highway Contract Support System (HCSS). This system includes, *inter alia*, an electronic database covering the entire set of purchased highway transportation contracts." *USPS-T-13 at 12*. Witness Bradley goes on to explain that HCSS contains the key variables (similar to those obtained from the hard-copy contracts in Docket No. R87-1) needed for his variability analysis. *Id.* He further concludes that use of HCSS data, which allows use of data

for nearly all contracts in force rather than a sample, "improves the efficiency of the estimation," negates concerns about a possibly unrepresentative sample, and ensures that any changes in the transportation system since Docket No. R87-1 are captured. *Id. at 12-13.* In other words, HCSS basically replaced the system of hard-copy highway transportation contracts, and witness Bradley uses variables from HCSS in basically the same fashion as he used variables from the hard-copy contracts in Docket No. R87-1. It is thus unclear why UPS desires extraneous information to evaluate the analysis. There is simply no purpose to be served in describing HCSS in its entirety, any more than there would be in describing the entire Postal Service contracting system if hard-copy contract data were used.

Such detailed information on HCSS is clearly not required by Rule 31(k), which by its very terms applies to "studies and analyses offered in evidence in hearing proceedings or relied upon as support for other evidence" HCSS is not a study or analysis, nor was it used in such manner by witness Bradley. HCSS was used merely as an electronic database from which to extract certain contract information. In this respect, it is no different from use of payroll information in the In-Office Cost System (IOCS). The Postal Service documents IOCS in compliance with the Commission's rules, but it does not "document" its payroll information by, for example, providing copies of all employee W-2 forms. In fact, the Commission itself has recognized that there is a distinction to be drawn between a study or analysis and an electronic database. In Docket No. RM97-2, which proposed changes to Rule 31(k)(2) to clarify the requirements for presentation of market

research studies, the Commission discussed "the emergence of electronic data bases, from which a number of different studies and analyses can be developed..." *Order No. 1174, Docket No. RM97-2, May 2, 1997, at 4.* As seems inherent in the Commission's comments, there must be a realization that imposition of extensive documentation requirements beyond the scope of a study or analysis would have a chilling effect on a party's willingness to make use of new data sources.

UPS's phrase "the specific information that is available in HCSS for each contract" encompasses a profusion of data having only the most dubious connection to witness Bradley's analysis. For example, information is recorded in HCSS upon the death of a contractor, indicating whether the contract is suspended, continued or terminated. For any given contract in witness Bradley's analysis, of what possible import is it to know that the contract was one which was continued after the contractor died? What is relevant is the list of variables *used* by witness Bradley. In fact, witness Bradley even provided data on the variables he examined, but did not use. See *Docket No. MC97-2, Bradley Workpaper WP-1, Creation of Analysis Data Set.* Witness Bradley has also responded, both in this docket and in Docket No. MC97-2, to numerous interrogatories concerning HCSS. In Docket No. MC97-2, he provided 43 pages of standard Postal Service contract forms in response to interrogatory OCA/USPS-T4-9. More than enough information has been provided for UPS to analyze witness Bradley's analysis and to draw whatever conclusions it wishes about the Postal Service's purchased highway transportation contracts.

Also, any such lengthy list of "specific information" would be burdensome to produce, especially given its lack of relevance. The Postal Service further has concerns that even a description of the information contained in HCSS for each contract may reveal commercially sensitive or proprietary information such as Origin-Destination pair information, contractor cost information, or internal Postal Service contract or transportation policy or strategy information. As the Postal Service indicated in an objection to an earlier OCA interrogatory requesting training and user manuals for HCSS, there is such a manual. That manual describes "specific information" on each contract in HCSS. *See Objection of United States Postal Service to Office of the Consumer Advocate Interrogatories OCA/USPS-T13-2 and 23(b), July 28, 1997.* The manual is over 600 pages. Before it could be produced, it would have to be reviewed in detail by counsel and postal transportation personnel to redact any commercially sensitive or proprietary information. It is estimated that review, potential redaction and reproduction of this material would take a minimum of four full uninterrupted days -- valuable time that would be taken away from and likely delay responses to other legitimate discovery requests.

UPS has had witness Bradley's basic analysis and the detailed workpapers underlying it since the beginning of Docket No. MC97-2, yet it has waited until the eleventh hour, during the most intense period of discovery, to make this irrelevant and burdensome request. The Postal Service should not be made to respond.

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Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:


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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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