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July 6, 2004

2004 JUL -6 P 3:57

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

Hon. Steven W. Williams, Secretary
Postal Rate Commission
1333 H Street, NW, Suite 300
Washington, D.C. 20268-0001

Dear Mr. Williams:

This responds to your letter dated June 22, 2004, regarding the Postal Service's submission, on May 25, 2004, of materials pertaining to the Fiscal Year 2003 Cost and Revenue Analysis (CRA) Report. Your letter and attachment list several specific items that you describe as required to be provided under the Commission's rules governing periodic reporting. It asks for submission of these materials or for a status report.

I have enclosed machine-readable copies of the following items listed in your letter:

1. Cost segments and components reconciliation to financial statements and account reallocations;
2. Quarterly Revenue, Pieces and Weight (RPW) reports at the rate category level of detail.

Regarding the second item, we note that these RPW data are essential components of the Billing Determinants required under Rule 102(a)(10). Consistent with that section, which provides for deferred submission of data pertaining to Express Mail, Priority Mail, and parcel post, we have omitted those services from the data reported. We have also omitted information pertaining to international services. Provision of this information is governed by procedures developed under 39 U.S.C. § 3663, establishing the Commission's annual report to Congress on international mail

Item 3 of the materials listed in your letter includes data and processing programs pertaining to a recent carrier cost study. The Postal Service presented a public briefing on this study to the Commission and interested parties on December 3, 2003. The letter I sent to the Commission on February 20, 2004, also made these materials publicly available upon request by the Commission or any interested party. In my letter, the Postal Service expressed its preference that it remain the source of this information, rather than the Commission's internet web site.

The Postal Service understands your letter of June 22, 2004, to be a response to the Postal Service's statement on February 20. The attachment to your letter explained that the Commission did not previously request these materials, in effect, because it intends to follow its current practice of posting on its web site materials submitted by the Postal Service as periodic reports. The Postal Service is enclosing the carrier study materials requested by the Commission. In so doing, it restates its commitment to provide the information to any member of the public who requests it, and also its strong preference that the carrier study not be placed on the internet by the Commission. By actually engaging parties interested in the study, as opposed to the Commission's passive distribution over the internet, the Postal Service will be in a better position to provide reasonable assistance to put potential inquiries into context, thus minimizing the possibility that precious time and resources will be consumed in the next rate case correcting misunderstandings and misconceptions.

Regarding the other items listed in your letter and attachment of June 22, 2004, the Postal Service emphasizes that the issue of requiring the Postal Service to produce, as part of its periodic reporting, all of the underlying data and computer programs that are not routinely included as part of its annual public CRA reports, has been the *subject of consideration at the highest levels of postal management*. Due to the availability of necessary participants in this consideration, the Postal Service will not be in a position to respond to these requests prior to the week of July 19, 2004. Every effort will be made to respond as quickly as possible, and we will keep you informed of any change in status.

Finally, the Postal Service reaffirms its views regarding the public disclosure of commercial information that is protected from mandatory disclosure by the Postal Reorganization Act (PRA). The Postal Service previously expressed these views in its comments on the Commission's periodic reporting rules. The Postal Service continues to believe that the Commission and the Postal Service should explore methods through which information not otherwise intended to be publicly available outside of formal proceedings under the statutory scheme of the PRA might be protected by conditions governing its disclosure to interested members of the public.

Sincerely,



Daniel J. Foucheaux, Jr.
Chief Counsel, Rates and Classifications

Enclosures