Postal Rate Commission
Submitted 1/21/2005 4:30 pm
Filing ID: 42727
Accepted 1/21/2005

CHIEF COUNSEL, RATEMAKING

UNITED STATES POSTAL SERVICE

January 14, 2005

Shelley S. Dreifuss
Director, Office of the Consumer Advocate
1333 H Street, NW
Washington, DC 20268-0001

Dear Shelley:

This responds to your letter dated December 2, 2004, in which you requested the Postal Service to provide to the OCA informally a large number of specific documents and data sets underlying Dr. Bradley's new econometric analysis of city carrier costs and the distribution of attributable city carrier costs to classes of mail in the current CRA. You also requested current data and documentation to enable the OCA's econometrician to analyze the attribution and distribution of mail processing costs for fiscal years 2000-2004. Your letter indicates that your requests are made in anticipation of, or in connection with, discovery in the next general rate case. You state that you believe these requests to be responsive to a Postal Service offer to provide certain costing information directly to requesting parties, an offer you believe was made in a May 25, 2004 letter to the Secretary of the Commission.

Before responding to your specific requests, I would like to clarify the communications upon which they are based. Although the May 25th letter did refer to an earlier offer to provide to requesting parties certain data and programs underlying the new city carrier cost study, it should not be construed as an open-ended invitation to request materials beyond those specifically mentioned in the offer. In fact, the original offer alluded to in the May 25th letter encompassed only the input data and computer programs used to perform the new carrier cost analysis. These materials, moreover, were provided to the Commission along with the May 25th letter. Against the preferences of the Postal Service, the Commission promptly posted the data and programs on the Commission's public web site. The OCA, and other interested individuals and organizations, thus have had access to these materials for some time now. I should also note that disclosure of these materials, and the public briefing that proceeded it, were limited exceptions to the customary

475 L'ENFANT PLAZA SW
WASHINGTON DC 20260
202-268-2989

practice of not publicly disclosing data and study documentation expected to be used in an upcoming rate case, until the case is filed.

The materials requested in your letter fall outside the limited set of information earlier offered and provided. They consist of detailed documentation of more than one cost segment, and are the type of information that the Postal Service ordinarily prepares only in anticipation of formal rate litigation. Moreover, the requests go beyond even the broad scope of the Commission's new periodic reporting rules, which, as you recognize in your letter, the Postal Service opposes. As you acknowledge in your letter, your requests essentially represent anticipatory discovery prior to the next omnibus rate proceeding.

After careful consideration, the Postal Service has determined that we must deny your request. As noted above, the Postal Service has not offered to provide such information to parties in advance of future rate proceedings. Furthermore, most of the information you have requested is not currently available. Drafting, compilation and presentation of such information ordinarily is completed only shortly prior to the filing of a Postal Service Request for changes in rates, fees and classifications. Preparing the materials for disclosure in an intelligible form that would not entail considerable follow-up explanation would require substantial time and effort that we are not currently in a position to undertake. In general, the Postal Service simply is not prepared or staffed to respond to such rate-case-type discovery requests outside of and prior to anticipated rate filings.

The Postal Service is confident that the documentation it will provide in support of upcoming rate requests will be sufficiently detailed and accessible to enable the OCA and all other interested parties to quickly come up to speed and participate fully and meaningfully in future proceedings. We look forward to working cooperatively with the OCA in such proceedings.

Sincerely,

Daniel J. Foucheaux Jr.

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking