

Before the
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Postal Rate and Fee Changes, 2005)

Docket No. R2005-1

OFFICE OF THE CONSUMER ADVOCATE MOTION TO COMPEL ANSWERS
TO INTERROGATORIES OCA/USPS-7.a. – c. and e. – h.
(May 19, 2005)

On May 9, 2005, the Postal Service filed Objections to interrogatories
OCA/USPS-7.a. – c. and e. – h¹

In the subject interrogatories, the Office of the Consumer Advocate (OCA) asks
the Postal Service to explain its failure to file 6 Origin/Destination Information (ODIS)
Reports with the Commission for the period beginning Quarter 1, FY 2004, through the
current Quarter, FY 2005. The questions focus on what amounts to a complete and
utter failure of the Postal Service to comply with Commission Rule 102, which requires:

§ 3001.102 Filing of reports. Each report listed in this section shall be filed
with the Secretary of the Commission within two weeks of its presentation
for use by postal management . . .

(b) *Quarterly reports.* The following information will be filed by the
Postal Service quarterly:

* * * * *

(2) Origin/Destination Information Report National Service
Index.

OCA's interrogatories also inquire about the Postal Service's intentions to comply
with rule 102 in the future. OCA respectfully requests that the Presiding Officer

¹ "Objections of the United States Postal Service to Interrogatories of the OCA (OCA/USPS-7a-c, e-h)." The interrogatories themselves are attached.

direct the Postal Service to respond to interrogatories OCA/USPS-7.a. – c. and e.
– h.

The Postal Service contends that OCA's questions are not calculated to lead to admissible evidence relevant to issues that may be considered in an omnibus rate request. This is simply not correct. ODIS contains valuable information about the number of days to deliver First-Class, Priority, and Package Service, Mail. Mailers, OCA, and other participants in the proceeding rely on ODIS data to predict the likelihood that the cited mail services will be delivered in a timely manner, in conformance with the service standards publicized by the Postal Service. Furthermore, ODIS data allow mailers to choose among services based upon the delivery statistics reported. The Postal Service's failure to provide these data on a quarterly basis has significantly devalued the quality of service that may be obtained from each of the classes for which reporting is required under Rule 102(b)(2). This can constitute a distinct ground for reducing the cost coverage for classes of mail whose quality of service may go unevaluated for months or years at a time.

Being able to make an informed choice about which service to purchase, based on the key considerations of price and speed, is an intrinsic part of the value for any service that is tracked in ODIS. In particular, pricing criterion §3622(b)(2), which explicitly directs the Commission to consider "the value of the mail service actually provided each class or type of mail service to both the sender and the recipient," can be applied based on concrete information available from ODIS. As well, the application of pricing criterion §3622(b)(5) ("the available alternative means of sending and receiving

letters and other mail matter at reasonable costs”) can be based on comparative data available from ODIS.²

Cost coverages that were last set by the Commission in Docket No. R2000-1 were established in an environment in which the Postal Service was still complying with Rule 102. If we have entered a new era in which the Postal Service intends to flout Rule 102(b)(2), including during the test year, then the cost coverages applied under §3622(b) criteria should reflect that devaluation. The ODIS data (and their regular release to the public) are, therefore, admissible evidentiary material and relevant to this case.

The Postal Service claimed we should instead pursue the matter as a failure to comply with the periodic reporting rules, rather than a matter for discovery. Yet it is precisely the Postal Service’s failure to comply with the Commission’s explicit rules that has led to the recent situation in which the public was deprived of valuable data that the Commission has long held should be available to the public on a quarterly basis. Any suggestion by the Postal Service that the 18-month failure to comply with Rule 102(b)(2) portends future non-compliance is certainly a key piece of information that should be disclosed in the instant rate case.

The filing requirement of ODIS reports is clear and unambiguous, yet the Postal Service’s flouting of Commission rules led to the current problem. Failure to comply

² Similarly, in Docket No. R2001-1, the Postal Service objected to providing American Customer Satisfaction Index (ACSI) data that related to the value of service. The Presiding Officer noted the question to be addressed is whether the information “appears reasonably calculated to lead to the discovery of admissible evidence,” citing 39 C.F.R. § 3001-26(a), 27(a). He granted the OCA motion to compel, determining that where requested information “may illuminate the value such consumers assign mail services both as senders and recipients,” the “requested information is likely to bear on the quality of service issue, which the Reorganization Act directs the Commission to consider in ratemaking.” Ruling No. R2001-1/20, December 14, 2001 at 3.

with, sometimes defiance of, Commission periodic reporting rules has become far too common an occurrence. During the year and a half that the Postal Service did not comply with Commission rule 102(b)(2), it also failed to request a waiver of the rule or provide any notice or explanation to the Commission for that failure. The Postal Service has never provided any assurance that it will resume compliance with the rule. OCA is concerned that the Postal Service will develop a pattern of flouting this rule and comply only when it files a request for an omnibus increase in rates under 39 U.S.C. §3622, thereby converting a *periodic* reporting rule into a filing under Rule 54, if even then, which applies to requests for a change in rates or fees.

Wherefore, OCA asks the Presiding Officer to direct the Postal Service to answer interrogatories OCA/USPS-7. a. – c. and e. – h.

Respectfully submitted,

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OCA/USPS-7. The Postal Service filed Library Reference K-82 consisting of ODIS-RPW reports for the 4 quarters of FY2004 on April 8, 2005, as part of the Docket No. R2005-1 filing.

- a. Please confirm that none of these quarterly reports was filed in conformance with Commission Rule 102, 39 C.F.R. §3001.102, which provides: "Each report listed in this section shall be filed with the Secretary of the Commission within two weeks of its presentation for use by postal management (b) *Quarterly reports*. The following information will be filed by the Postal Service quarterly: . . . (2) Origin/Destination Information Report National Service Index;" i.e., none were filed on a quarterly basis throughout FY2004. If this statement is not confirmed, then please explain.
- b. Confirm that, prior to the filing of LR K-82, the last ODIS quarterly report filed with the Commission was for Quarter 4, FY 2003, and was filed on October 20, 2003. If this statement is not confirmed, then please explain.
- c. Confirm that no quarterly ODIS reports were filed with the Commission for a period of nearly 1 ½ years. If this statement is not confirmed, then please explain.

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- e. Confirm that, even following the merger of the ODIS-RPW systems, 3 quarterly RPW reports were filed with the Commission, i.e., on April 16, 2004 (Quarter 1, FY2004); May 14, 2004 (Quarter 2, FY2004); and August 6, 2004 (Quarter 3, FY2004).
- f. Give a detailed explanation of why the Postal Service filed 3 RPW quarterly reports in FY2004, but did not file any ODIS reports.
- g. Has the Postal Service filed any quarterly ODIS-RPW reports with the Commission for FY2005? If not, why not.
- h. Does the Postal Service intend to comply with Commission Rule 102 by filing quarterly ODIS or ODIS-RPW reports in the future? If not, why not? If so, what will be the filing schedule?