

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

POSTAL RATE AND FEE CHANGES
PURSUANT TO PUBLIC LAW 108-18

Docket No. R2005-1

PARTIAL OBJECTION OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF ABA AND NAPM (ABA&NAPM/USPS-1)
(May 23, 2005)

As indicated below, the United States Postal Service hereby files a partial objection to the above-referenced interrogatory, filed by ABA and NAPM on May 11, 2005.

The question reads:

ABA&NAPM/USPS-1.

A number of testimonies appear to rely on forecasts of certain economic variables made by Global Insight, including USPS-T-7 (Thress), USPS-T-8 (Bernstein), and USPS-T-10 (Waterbury).

- a. Please identify: (i) each piece of testimony submitted by the United States Postal Service in this proceeding that relies upon or reflects economic forecasts made by Global Insight; (ii) each witness providing testimony submitted by the United States Postal Service who (a) received or (b) had access to economic forecasts by Global Insight.
- b. With respect to each testimony submitted by the United States Postal Service in this proceeding that relies upon, reflects or was influenced by forecasts made by Global Insight state: (i) What Global Insight forecasts were available to the USPS witness, (ii) the workpaper(s) or library reference in which the data produced by Global Insight is set forth and the place (e.g., page number or spread sheet and cell number(s)) where the data provided by Global Insight is located in each workpaper or Library Reference, and (iii) the date on which such data was produced by Global Insight.
- c. Please provide all the forecasts made by Global Insight since those used in the USPS rate filing for this case for each of the specific variables used in a testimony, workpaper or library reference.

d. Did any witness rely on, consult, or read any other forecasts other than those made by Global Insight in the preparation of the USPS case? If not, why not? If so, please list the forecasting service, the forecasting variables at issue, and the date(s) of such forecasts together with the values of each variable.

Subparts a and b

Since there is substantial overlap between these subparts, they are discussed together. The Postal Service intends to respond to these subparts as follows. It will identify the witnesses who directly rely on Global Insight for inputs into their analyses, provide references to those inputs within the documentation of those witnesses, and identify the source of those inputs in terms of the specific Global Insight forecast and the date produced. The Postal Service believes that this information will provide the essence of what appears to be the primary intent of these subparts. To the extent that these questions refer to witnesses whose testimony “reflects” forecasts, or “was influenced” by forecasts, however, the Postal Service objects to these questions as overbroad. The large majority of witnesses use as inputs to their analyses test year cost data or volume forecasts that were, in turn, developed using Global Insight forecasts. The Postal Service sees no point in attempting to provide a list of witnesses whose testimony indirectly reflects or was influenced by Global Insight forecasts. If ABA and NAPM are truly interested in such a list, they can develop it themselves either by examining the documentation of each witness to determine if the witnesses identified by the Postal Service as direct users of Global Insight appear as upstream providers, or simply by referring to the testimony of the roadmap witness. Any witness in this case discussing test year cost, revenue, or volume data has been influenced by Global Insight, but that should not be news to anyone.

Subpart c.

This subpart requests from the Postal Service forecasts made by Global Insight subsequent to those used by the Postal Service in this case. The Postal Service objects to providing any information in response to this request. Forecasts made subsequent to those used by the Postal Service are not relevant to evaluation of the Postal Service's filing, as they were not available at the time that filing was prepared. If ABA and NAPM are nonetheless interested in such forecasts, they can obtain them directly from Global Insight. It is unclear why ABA and NAPM believe it to be appropriate to shift the burden of obtaining such forecasts to the Postal Service.

Subpart d.

This subpart requests information regarding whether "any witness rely on, consult, or read any other forecasts other than those made by Global Insight." The Postal Service objects to this question as vague and overbroad. Taken literally, it appears that if a witness read an article in the Wall Street Journal on trends in the economy, such activity would need to be identified in response to this question. The Postal Service has no intention of polling its witnesses on their reading habits. In general, the Postal Service has relied for many cases on Global Insight or its corporate predecessors as a unified source of macroeconomic forecasts for rate cases. Consequently, postal witnesses do not shop around for other sources of such forecasts, as the question might seem to imply. To the limited extent, however, that postal witnesses use other (i.e. non-Global Insight) entities as the external source of specific forecasted variables that are actually used as inputs into their analyses, the Postal Service will provide similar information as discussed above with respect to subparts a-b.

Therefore, for the reasons and on the grounds specified above, the Postal Service objects to ABA&NAPM/USPS-1, but is willing to provide information in response to subparts a-b and d, as described above.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Eric P. Koetting

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

Eric P. Koetting

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