

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

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

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Docket No. R2005-1

OBJECTIONS OF THE UNITED STATES POSTAL SERVICE  
TO VALPAK INTERROGATORIES DIRECTED TO WITNESS TAUFIQUE  
[VP/USPS-T28-23-27, 48 and 51]

For the reasons stated below, the United States Postal Service hereby objects to the above-listed interrogatories directed by Valpak to witness Taufique on May 27, 2005.

The Postal Service's request in this proceeding reflects a policy determination to generally propose that current rates and fees be increased by a uniform percentage. The proposed rate and fee changes are presented in the testimony of witness Taufique (USPS-T-28). For purposes of this proceeding, the Postal Service has filed the testimony of costing witnesses who have analyzed base year costs and estimated the test year costs for the various subclass and special service rate and fee categories, notwithstanding the unusual circumstance that these cost studies do not serve as rate and fee design inputs. These cost studies are fully subject to discovery requests in this proceeding and the Postal Service is endeavoring to be as responsive as possible to such requests.

The interrogatories objected to here make no attempt to explore the Docket No. R2005-1 base year or test year costs provided by the Postal Service. Instead, they seek to re-open cost issues that were subject to discovery and litigation in Docket No. R2001-1. Interrogatories VP/USPS-T28-23 through 27 focus primarily on Library

Reference J-131, filed in support of the Postal Service's Docket No. R2001-1 Standard Mail rate design proposals, and ask a myriad of questions seeking descriptions of mail processing and delivery operations, related costs or wage rates that led to certain Docket No. R2001-1 cost estimates, or explanations of the relationships among various Docket No. R2001-1 cost inputs.

Even assuming Docket No. R2001-1 Library Reference J-131 provided part of the evidentiary basis for the rates currently in effect, current rates are not in controversy in the instant proceeding. At issue now are the Postal Service's Docket No, R2005-1 rate proposals and the relevant base year and test year cost data provided in conjunction with its Docket No. R2005-1 request.

Interrogatories VP/USPS-T28-48 and 51 suffer from the same defect. VP/USPS-T28-48 presents a chart reflecting scores of figures that purport to be "USPS costs from Docket No. R2000-1" (with no further citation), includes some cost calculations, and asks the Postal Service's Docket No. R2005-1 rate design witness to confirm the calculations based on Docket No. R2001-1 costs. Interrogatory T28-51 attempts a similar exercise, this time, based on "PRC costs from Docket No. R2001-1, taken from library references filed by the Postal Service" and Docket No. R2001-1 PRC Library Reference 7. Putting aside the absence of helpful citations in the various interrogatories or attachments, these interrogatories seek information irrelevant to the issues in the instant proceeding. The Postal Service has filed in the instant docket the required PRC version base year and test year cost estimates. As appropriate, the Postal Service will respond to discovery requests seeking clarification of those PRC version cost estimates. However, the instant docket is about the current rate proposals. To the

extent that PRC version costs are relevant to those proposals, the relevant costs would be Docket No. R2005-1 base year and test year costs, not the Docket No. R2001-1 costs that Valpak seeks to revisit. Putting aside the absence of citation that would permit an easy identification of the Docket No. R2001-1 sources of the cost figures referenced in these questions,<sup>1</sup> there is no nexus between the questions and the issues in the instant proceeding.

Each of these interrogatories contains a “bootstrap” assertion that Docket No. R2001-1 rate levels “are being perpetuated by” the Docket No. R2005-1 across-the-board proposal, as if this somehow provided a justification for re-litigating Docket No. R2001-1 costs now. It is equally of no consequence that the current rates reflect the accumulated results of a string of omnibus rate cases. There is no more basis for re-opening the Docket No. R2001-1 evidentiary record for re-examination in the current docket than there is for re-opening Docket Nos. R2000-1, R97-1 or MC95-1. Accordingly, the Postal Service objects to the VP/USPS-T28-23 through 27, 48 and 51.

Upon receipt of annotated copies of the charts attached to VP/USPS-T28-49 and 50, the Postal Service will endeavor to provide responses to those questions as quickly as possible.

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<sup>1</sup> A similar shortcoming affects VP/USPS-T28-49 and T28-50. It is not reasonable to expect the Postal Service to be able to respond to these interrogatories, to which there is otherwise no objection, without specific Library Reference and page citations to the various figures in the attached charts. It is insufficient guidance to simply indicate that the figures are “PRC costs” or “USPS costs” that come “from library references in Docket No. R2005-1.” The Postal Service will endeavor to respond to these two interrogatories upon receipt of charts with informative citations.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

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Michael T. Tidwell  
Attorney

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2998; Fax -5402  
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