

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

OBJECTION OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORIES  
OF IRET (IRET/USPS-5 .b-.d, 8, 12.a-.e, .g)  
(June 13, 2005)

As indicated below, the United States Postal Service hereby objects to the above-referenced interrogatories, filed by the Institute for Research on the Economics for Taxation (IRET) on June 3, 2005.

IRET/USPS-5 .b-.d

The objectionable parts of Question 5 read as follows:

**IRET/USPS-5**

- b. Please provide any studies or analyses the Service has performed or commissioned that have examined whether its advertising expenditures increase mail volume.
- c. For any of its advertising campaigns, such as the (now discontinued) Tour de France sponsorship and the current NASCAR sponsorship, has the Service performed or commissioned any studies examining which classes of mail are benefited?
- d. Please provide any studies or analyses the Service has performed or commissioned following advertising campaigns to assess whether the campaigns achieved their objectives. If no such follow up studies have been performed or commissioned assessing advertising-campaign effectiveness, please confirm.

The Postal Service objects to this interrogatory based on commercial sensitivity and relevancy. Any studies that would be responsive to this interrogatory would be highly proprietary information, which no advertiser, under good business practices, would release to the public. For example, studies evaluating advertising for Express Mail

would be of great interest to competitors of the Postal Service, and therefore releasing those studies could harm the Postal Service. In addition, these studies are not relevant to an omnibus rate case. Accordingly, the Postal Service objects to this interrogatory.

IRET/USPS-8

Question 8 reads as follows:

**IRET/USPS-8**

As the owner of over 212,000 vehicles in 2004 (2004 Annual Report, p. 21), the Postal Service is a heavy user of motor vehicle fuel.

- a. Please provide a library reference in the current rate case to the Service's costs for motor vehicle fuel in the test year.
- b. Does the Postal Service pay federal and state excise taxes on its fuel purchases? If so, please break the excise tax payments into federal and state portions.
- c. If the Postal Service is able in some cases to buy motor vehicle fuel on a tax-exempt basis (or eligible to have taxes it pays rebated), please provide details. Also, if the answer is affirmative, please include estimates of the number of gallons of fuel on which federal and/or state motor vehicle taxes were not paid or paid at reduced rates, in each year since the last rate case (R2001-1).
- d. Are Postal Service contractors ever eligible to obtain motor vehicle fuel on a tax-exempt basis on work they do for the Service or eligible to taxes it pays rebated? Please explain.

The Postal Service intends to provide a partial response to this interrogatory. To the extent IRET may deem the Postal Service's response to be inadequate, the Postal Service objects to the interrogatory on the bases of relevance, commercial sensitivity, and undue burden.

This interrogatory does not seek information that is relevant in these proceedings. The Postal Service's costs for motor vehicle fuel, including any taxes it may pay therefore, are included within its overall transportation costs, and bear no relevance, in isolation, to an omnibus rate proceeding, especially a proceeding that addresses funding the obligations of Public Law 108-18.

The information sought by this interrogatory also is highly commercially sensitive. Some fuel is purchased by the Postal Service and some fuel is purchased by contractors (with costs effectively passed back to the Postal Service). Any private entity that wishes to bid on contracts for highway transportation of mail could use this information in a manner that adversely affects the Postal Service. Competitors of the Postal Service also could use this information to the detriment of the Postal Service.

Moreover, the time that it would take to assemble existing data into a format that answers the questions and meets acceptable auditing standards could be hundreds of work hours. Even if attempted, it might not be completed in time for introduction into these proceedings.

For these reasons, the Postal Service objects to IRET/USPS-8. Notwithstanding these objections, the Postal Service intends to file a partial response to this interrogatory.

IRET/USPS-12.a-e, .g

Question 12 reads:

**IRET/USPS-12.**

- a. Please list the total revenue and costs of USPS eBillPay and USPS Send Money in each year since the last rate case (R2001-1).
- b. Please list the total revenue and costs of USPS Electronic Postmark (EPM) in each year since the last rate case (R2001-1).
- c. Please list the total revenue and costs of DineroSeguro, and any other its international money wire services you have offered, in each year since the last rate case (R2001-1).
- d. Please list the total revenue and costs of NetPost CardStore in each year since the last rate case (R2001-1).
- e. Please list the total revenue and costs of the Online Magazine Subscription service offered through the USPS website in each year since the last rate case (R2001-1).
- f. Please list the total revenue and costs of Pickup On Demand in each year since the last rate case (R2001-1) or, if a shorter period, in each year since

development of this service began.

g. The Postal Service sells various packing and shipping supplies to the public, such as the BoxPak, TubePak, and SpecialtyPak Lines of products offered on the USPS website (see <http://www.onepak.com/products/index.php>) and an assortment of envelopes, boxes, bubble wrap, packaging tape, carton markers, and miscellaneous other packaging supplies that may be purchased at many post offices. For each year since the last rate case, please list the types of packaging products that the Service offered for sale to the public, the quantities sold, total revenue, and costs.

With respect to all subparts except subpart f, the questions pertain to nonpostal services. Since these services have to date been treated as outside the jurisdiction of the Commission, details on such services are not relevant to proceedings regarding the rates and fees for postal services. Without waiving its objection on the grounds of relevance, however, the Postal Service provided the available information that would be responsive to subparts a-e of IRET/USPS-12, within Attachment One to the response to OCA/USPS-53, filed on June 2. To the extent that such information has been provided (albeit only the day before these questions were filed), the IRET request is cumulative, and the Postal Service objects on that basis.

Subpart g relates to the line of nonpostal products marketed as ReadyPost. The Postal Service has already provided available information on ReadyPost in response to OCA/USPS-53. To the extent that subpart g seeks additional information, such as a list of products, and quantities sold, the Postal Service objects on the grounds of relevance. The instant question demonstrates IRET's general familiarity with the nature and scope of the program. Further details, regarding a nonjurisdictional nonpostal service, are not material in a proceeding in which the Commission will only be recommending rates and fees for postal services.

Therefore, the Postal Service will provide a response to subpart f of IRET/USPS-

12, but objects to all of the other subparts of this question.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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### **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.

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Brian M. Reimer

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