

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

RATE AND SERVICE CHANGES TO IMPLEMENT
BASELINE NEGOTIATED SERVICE AGREEMENT
WITH BOOKSPAN

Docket No. MC2005-3

**OBJECTION OF THE UNITED STATES POSTAL SERVICE TO
FOLLOW-UP INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T2-21(f) & (g))**

The United States Postal Service hereby objects to providing responses to OCA interrogatory OCA/USPS-T2-21(f) and (g), filed on October 19, 2005. These questions seeks information which is commercially sensitive and irrelevant. The questions ask:

- f. Please supply all analyses, studies, and reports prepared by any other department of the Postal Service, besides the Inspector General, that indicate or discuss the profitability of ICMs, for 1996 to date.
- g. Please provide the specific findings of the Commission in its International Mail Reports for Docket Nos. IM2000-1, IM2001-1, IM2002-1, IM2003-1, IM 2004-1, and IM2005-1, for the profitability of ICM agreements, i.e., state for each of the dockets listed whether the Commission reported that the ICM program for each of the years covered (1999, 2000, 2001, 2002, 2003, and 2004) generated (or failed to generate) revenues in excess of attributable costs. Give the annual ICM cost and revenue figures for each of the years listed.

The Postal Service's primary objection to disclosing this information is that it is irrelevant to the issues raised by the Postal Service's proposal and is not likely to lead to discovery of admissible evidence. Although the matter may not have been clear at earlier stages of this discovery dispute, it has now been established on the record that the development and provisions of NSAs, particularly the one at issue here, are

substantially different from the development and provisions of ICMs, which are the subject of these questions. Tr. 2/73, 75. The OCA had argued previously that the results of the ICM program will shed light on the likely results of the Bookspan NSA.¹ Even within domestic mail, the rates for which are set through one process, the cost coverage of one subclass is not predictive of the cost coverage of another subclass. Here, the results of the ICM program, given its significant differences in structure, will not in any way provide useful information to the Commission in its deliberations on the matter before it in this docket.

This irrelevance, and the likelihood that the information requested will not be useful in this docket, should also be weighed against the Postal Service's second main objection that the request seeks commercially sensitive information. While some of the information sought in connection with operations in FY 2003 has been discussed in the Inspector General's report requested in OCA/USPS-T2-21 (Report Number MS-AR-05-001), which has been made public, the Postal Service believes that information regarding its ICM agreements generally would, if disclosed, result in commercial harm in the highly competitive markets in which international mail competes. It is precisely for this reason that the Commission has generally respected the Postal Service's concern about disclosure of information regarding ICMs contained in the Commission's reports to Congress on international mail.

In this regard, part (g) asks, in part, for information contained in the Commission's reports to Congress for the years that report has been produced, starting

¹ Office of Consumer Advocate Motion to Compel Responses to Interrogatories OCA/USPS-T2-11(c)-(e) (September 1, 2005).

with Commission Docket No. IM2000-1. While the Postal Service has custody of copies of these reports, strictly speaking, they are Commission documents. They do however, contain proprietary information that the Postal Service considers commercially sensitive. In light of this content, the Commission has adopted a policy of withholding sensitive information contained in the reports, when they are requested by members of the public. If such requests are made, the Commission first consults the Postal Service to determine what information should be withheld. Accordingly, the Commission's website contains the following advisory regarding the Commission's international mail reports, which are the subject of part (g): "Access to this document is restricted. For information on the process for obtaining authorization to review this material please contact the Commission's Docket Room at 202-789-6845 or e-mail prc-dockets@prc.gov."

In this case, the Postal Service would object to disclosure of the information pertaining to ICMs contained in the Commission reports that the OCA has requested. Such information could provide competitors with information and insights into the international mail services with which they compete, and result in competitive harm to the Postal Service. As noted above, at the least the Commission should consider this claim of commercial sensitivity and privilege in connection with its evaluation of the need and usefulness of the information in the instant docket.

Regarding the information requested in part (f), the Postal Service has not located additional formal studies and reports, as described. Any material that might exist in the form of internal communications or "analyses," including notes and presentations, would fall under the Postal Service's general objection that it contains commercially sensitive information, which is privileged, and the disclosure of which

should be weighed against its utility in this docket. Moreover, it is unlikely that data going back almost ten years could have any value with respect to the matters at issue in this proceeding.² The potential usefulness of anything that might exist, being virtually nil, cannot outweigh the harm of releasing such data, as well as the necessity to institute another set of protective conditions.

For these reasons, the Postal Service objects to the release of this sensitive information that will have no value in resolving the issues in this case.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

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² Moreover, given that no participant has filed testimony rebutting the Postal Service's direct case, the matters to be resolved will be primarily legal, rather than factual.