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

EVOLUTIONARY NETWORK DEVELOPMENT SERVICE CHANGES, 2006	Docket No. N2006-1

UNITED STATES POSTAL SERVICE OBJECTIONS TO
OFFICE OF THE CONSUMER ADVOCATE INTERROGATORIES
OCA/USPS-T1-21(a-c)
(June 23, 2006)

The United States Postal Service hereby submits its objections to the following
interrogatories of the Office of the Consumer Advocate, filed on April 5, 2006:

OCA/USPS-T1-21(a-c).

The Postal Service objects to these interrogatories on two grounds: (1) the
information they seek is privileged, commercially sensitive and proprietary in nature;
and (2) any relevance that this information may have to the potential service changes at
the heart of this proceeding is so tenuous and so greatly outweighed by the proprietary
interests involved as to justify that that the requested data not be publicly disclosed.

Subparts (a) through (c) of OCA/USPS-T1-21 request that the Postal Service
provide, in mathematical equation format, a detailed description of the Evolutionary
Network Development (END) optimization model. As explained below, the Postal
Service considers the mathematical equations and formulas in the model to be
privileged, commercially-sensitive information that should not be publicly disclosed.

The request in this proceeding seeks an advisory opinion regarding whether
changes in postal services – resulting from a realignment of the postal mail processing

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network – would result in those services being provided in a manner consistent with the policies of the Postal Reorganization Act. Evidence adduced in this proceeding and in Docket No. R2006-1 makes it clear that the Evolutionary Network Development optimization model is not used to dictate which facilities will become Regional Distribution Centers in the future network. See, for instance the Postal Service's Docket No. R2006-1 response to PSA/USPS-T42-1. The optimization model is used to produce hypothetical mail processing network configurations that help inform postal management about possible network design options. The Postal Service employs its END simulation model to identify potentially feasible facility-specific opportunities for operational consolidation. These opportunities, in turn, are analyzed by postal management through the Area Mail Processing review process (USPS Handbook PO-408). During the AMP review process, service changes are proposed, analyzed and determined.

While the END optimization model is used to analyze the potential feasibility of alternate network scenarios in a Regional Distribution Center (RDC)-based network configuration, the model's algorithms, equations and formulas play no role in the process by which the Postal Service determines which service changes to consider or implement. The decisions regarding locations of Regional Distribution Centers that will serve as the hubs of the future network will be made by postal management on the basis of many factors which are not modeled. The ultimate decisions regarding facility-specific consolidation opportunities are made through the Area Mail Processing review process. The END models are not utilized to decide which facilities should be closed.

The END models are not used to determine which 3-digit ZIP Code origin-destination pairs should experience service standard upgrades or downgrades. The END models are not used to determine whether to adjust collection box pickup times. The END models are not used to determine changes in locations of bulk mail entry. Accordingly, any link between the END optimization model algorithms, equations and formulas, on the one hand, and the service changes at issue, on the other, is very tenuous at best, of not irrelevant.

The END optimization model employs various algorithms, equations and formulas, many of which are contained in software obtained by the Postal Service from LogicTools, Inc. The Postal Service is an end user of the software, having procured a license for that purpose and for related support services from LogicTools.

The Postal Service is authorized to state that LogicTools is unconditionally opposed to the public disclosure of the algorithms, equations and formulas in its software. LogicTools has asked the Postal Service to represent that the requested information is the privileged, commercially-sensitive intellectual property of LogicTools, and that it should not be disclosed in a manner contrary to the proprietary interests of LogicTools. The Postal Service also has been asked to emphasize that the disclosure of the requested information in any manner contrary to the proprietary interests of LogicTools would cause irreparable harm to the firm's commercial and competitive interests.

In this regard, the Postal Service finds itself in the same position as if it were faced with a request for such information under the Freedom of Information Act, 5

U.S.C. § 552. Under such circumstances, the Postal Service would be impelled to

deny such a request by application of the exemption in FOIA subsection 552(b)(4),

which protects from public disclosure "trade secrets and commercial or financial

information obtained from another person [that is] privileged and confidential."

LogicTools has requested that the Postal Service inform interested parties that

copies of its software may be purchased under arrangements made through:

> Lynne Lipinsky
> General Business Manager
> LogicTools, Inc.
> 35 Corporate Drive
> 4th Floor
> Burlington, Massachusetts 01803
> tel: 978-371-0326
> lynne@logic-tools.com

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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