Before The
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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

OFFICE OF THE CONSUMER ADVOCATE
MOTION TO COMPEL RESPONSES TO INTERROGATORIES
OCA/USPS-T1-21(a-c)
(June 28, 2006)

Pursuant to Rules 21, 26(d) and 27(d) of the Rules of Practice of the

Postal Rate Commission, the Office of the Consumer Advocate ("OCA") hereby

moves to compel Postal Service responses to interrogatory OCA/USPS-T1-21(a-

c)(attached).[1] The Postal Service has filed late objections on grounds the

information is "privileged, commercially sensitive, and proprietary" and that its

relevance is so tenuous that public disclosure is outweighed by proprietary

interests.[2]

OCAs interrogatories were filed on April 5, 2006. The Postal Service said

repeatedly that responses to these interrogatories would be forthcoming. A

status report to the Presiding Officer on May 25 stated responses would be filed

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[1]   See attachment.

[2]   "United States Postal Service Objections to Office of the Consumer Advocate
Interrogatories (CA/USPS-T1-21(a-c))," June 23, 2006. A motion for late acceptance of its
objections was filed concurrently, "Motion of the United States Postal Service for Late Acceptance
of its Objections to Office of the Consumer Advocate Interrogatories."

no later than June 5.[3] The objections filed on June 23 are the first written

indication an answer would not be forthcoming and for the first time expresses

the grounds for failing to file a response.

Interrogatory OCA/USPS-T1-21(a-c) asks for basic information about the

details of the Postal Service's END optimization model, in the form of a

mathematical summary, or specification of the model. This information is relevant

and necessary for the Commission and the parties to gain an understanding of

exactly what aspects of the network are being optimized, the variables used in

the optimization process, the constraints that must be satisfied by the optimal

solution, and the mathematical method used to find the optimal solution. Thus,

the response to this interrogatory is needed to make an informed judgment on

the technical adequacy of the END modeling process.

The objections raised by the Postal Service are without merit. In support

of its objection, the Postal Service claims the END optimization model is used to

analyze the feasibility of alternative Regional Distribution Center (RDC) -based

networks and that the mathematical aspects "play no role in the process by which

the Postal Service determines which service changes to consider or implement."[4]

The objection concludes "any link between the END optimization model …and

service changes at issue… is very tenuous, at best…."[5]

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[3]   "Notice of the United States Postal Service Regarding the Status of Outstanding Discovery Responses," May 25, 2006.

[4]   Objections at 2.

[5]   Id. at 3.

The Postal Service's argument is obviously at odds not only with the genesis of this proceeding but also at odds with the testimony of the Postal Service's own witnesses, not to mention the numerous interrogatory responses and the discussions at the technical conference where all participants focused primarily on the END model's mathematical basis.[6]

The Proposal in this case revolves around the link between the changes in service and the application of the END optimization model. Not only the Request, but also the testimony of both Postal Service witnesses Shah and Williams, clearly link the End model with the changes being proposed that will impact service on a nationwide basis. The Request summarizes witness Shah's testimony, stating that it "describes one of the analytical tools used in the feasibility studies that will determine the basic features of the future mail processing network."[7] Witness Shah's testimony describes at length the END modeling process. It discusses the use of the END model for computer simulations, the criteria in evaluating realignment, the types of END models-optimization and simulation, the manner of updating the END model and the initial objective of the END strategy. (Shah testimony, USPS-T-1 at 7-12.) Witness Williams even states that in the summer of 2005, "The initiation of a merger of the END model and the AMP process was thus underway."[8] Therefore, to now describe the END model as unlinked to the changes in

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[6]   USPS-LR-N2006-1/9, 'Evolutionary Network Development Technical Conference Presentation Slides," April 28, 2006.

[7]   Request at 3.

[8]   Williams USPS-T-2 at 9, lines 10-11.

nationwide service that will result from the Postal Service's consolidation strategy is contrary to the obvious links expressed in the filings and subsequent portions of the record.

The purpose of OCA's interrogatory is to review the technical adequacy of the model. We fully understand the model does not make the ultimate decisions about consolidation; that is left to management after the further application of the AMP process.   Although the AMP process does bring to light local problems, as we understand it, the optimization process looks initially for the optimal network as a whole. The END model points the way for Postal Service management to move ahead along the path of consolidation and impacts management's primary decisions as to where to look for potential opportunities for consolidations. The END process and its mathematical formulas are the engine that starts the management along the path of consolidation. If the input and output from that process does not provide appropriate network guidance, for whatever reason, the path mapped by the END process may be filled with pitfalls as a result of faulty verification and validation of the inputs or a misreading of the outputs. The adverse consequences may be recognized only long after several consolidations have been completed. We believe it is essential that this record contain this information requested by OCA, for review by OCA, the parties and the Commission. The responsibility delegated by §3661 to the Commission to hold hearings under sections 556 and 557 of title 5 is to insure that all aspects of the process are open for review so that a full record is compiled to support an advisory opinion.

The Postal Service also objects to public disclosure of this material. It says the END model employs various algorithms, equations and formulas, many of which are contained in software obtained by the Postal Service from LogicTools, Inc.[9] This interrogatory does not seek the equations, algorithms, and formulas found in the LogicTools, Inc. software. It seeks a mathematical specification of the optimization problem that the LogicTools, Inc. software is used to solve. There should be nothing proprietary about the specification of the model, and any number of public and private software packages could be used to find the solution to this optimization problem. If, in fact, the Postal Service is claiming that LogicTools, Inc. actually developed the model specifications for the Postal Service as well as the solution, that by itself is not fair game for the model being declared proprietary.

Finally, although protective conditions are an alternative to a fully public response to this interrogatory, if indeed proprietary material from LogicTools, Inc. is being requested, in reality the interrogatory is asking only for information that should be in the public domain. The Postal Service is asked to provide merely a complete mathematical description for each type of optimization model, to define each constant or variable, to indicate the objective function to be optimized by the models and to specify the constraints used in the model, as equations and/or inequalities. The Postal Service's objections appear to be simply a last-minute attempt by the Postal Service to confuse the issue, and have no merit.

Even if the material is commercially sensitive, in exceptional circumstances material will be required to be provided, especially where the

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[9]   Objections at 3.

matters involved are essential to a determination of the issues before the

Commission.[10] In such a case, special consideration could be given to providing

the information under protective conditions. As noted above, the information is

essential for the Commission to provide an appropriate advisory opinion in this

case.   Without the opportunity to fully understand the fundamental inputs and

formulas used by the Postal Service in the END model, and the opportunity to

point out shortcomings in the mathematical materials, the advantages of an

advisory opinion will be significantly reduced and the opportunity for improving

upon the networks recommended by the END process will be diminished.

      Wherefore, for the reasons set forth above, OCA respectfully requests that

the Presiding Officer direct the Postal Service to provide response to

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

                                      Respectfully submitted,

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[10]   See POR R2000-1/102 at 1-4, July 31, 2000; POR R97-1/104 at 3, February 27, 1998.

Attachment to OCA Motion to Compel Responses to
Interrogatories OCA/USPS-21(a-c)

OCA/USPS-T1-21. At pages 9-10 of your testimony, you briefly describe the optimization models used in the Evolutionary Network Development (END) process which continues as an evolutionary process the Network Integration and Alignment program as discussed in OCA/USPS-T1-5.   Please provide a complete mathematical description for each type of optimization model, including the following items:

a.   Specify and briefly define each constant or variable used in the model, using mathematical notation as necessary (e.g., Vijk might be the volume of class i mail originating in area j and destined for area k). For each variable (or set of similar variables), specify: a) whether it is used as an input variable, a decision variable, or an output variable; b) whether the variable is discrete or continuous; and c) what range of values the variable can take.
b.   Specify the objective function to be optimized by the model, in equation format (using the variables and constants defined above).
c.   Specify the constraints used in the model, as equations and/or inequalities (using the variables and constants defined above).