

DOCKET SECTION

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PRESIDING OFFICER'S  
RULING NO. R97-1/48  
POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

UNITED STATES OF AMERICA  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268

Postal Rate and Fee Changes

Docket No. R97-1

PRESIDING OFFICER'S RULING DENYING MOTION TO  
COMPEL RESPONSES TO OCA/USPS-T5-34-36

(October 17, 1997)

On September 22, 1997, the Postal Service filed objections to several interrogatories of the Office of the Consumer Advocate (OCA), including OCA/USPS-T5-34, 35, and 36(b) and (c).<sup>1</sup> The OCA filed a motion to compel responses to Interrogatories OCA/USPS-T5-34-36 on September 26, 1997.<sup>2</sup> The Postal Service filed its opposition to the Motion on October 6, 1997.<sup>3</sup>

OCA/USPS-T5-34 and 35 ask for a breakdown by CAG of essentially all FY 1996 Postal Service accrued costs, as they appear in USPS LR H-1, Tables A-1 and A-2. OCA/USPS-T5-36 asks for a breakdown by CAG of essentially all base year Postal Service accrued costs. The OCA's motion to compel says that these CAG breakdowns are "essential to the direct case that we are now preparing," without elaboration. Motion at 2. It emphasizes that this information is solely within the

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<sup>1</sup> Objection of United States Postal Service to Office of the Consumer Advocate Interrogatories (OCA/USPS-T5-30, 31, 32, 34, 35 and 36(b) and (c)) (Objection).

<sup>2</sup> Office of the Consumer Advocate Motion to Compel Responses to Interrogatories OCA/USPS-T5-34-36 to United States Postal Service Witness Alexandrovich (Motion).

<sup>3</sup> Motion for Late Acceptance and Opposition of the United States Postal Service to Office of the Consumer Advocate Motion to Compel Responses to Interrogatories OCA/USPS-T5-34-36 to United States Postal Service Witness Alexandrovich (Opposition).

possession of the Postal Service. *Id.* at 4. The Postal Service objects that CAG breakdowns of its accrued costs are irrelevant, since it neither accrues, nor attributes costs by CAG. Objection at 4, Opposition at 3. The Postal Service argues that it should not be required to “perform a full-blown cost analysis, involving computer sorting of data, adoption of assumptions for classifying certain costs and further potential spreadsheet analysis” without some explanation of how the OCA could usefully apply CAG breakdowns of its accrued costs. Opposition at 3. It points out that CAGS (Cost Ascertainment Groups) group facilities by their revenue, rather than their cost characteristics, and that they are not even homogeneous revenue groupings. Transportation costs, in particular, cannot meaningfully be associated with CAGS, according to the Postal Service. *Id.* at 3-4. The Postal Service concedes that it would be able to sort account numbers by facility numbers by CAG and then sum them by CAG. But it explains that substantial end-of-year audit adjustments and expense reallocations are made by total account. In order to break them down by CAG, the Postal Service argues, it would either have to make some kind of judgmental proration, or attempt an elaborate and immensely burdensome tracing of such costs to CAG. Objection at 4, Opposition at 5. Allocating accrued costs for component groupings to CAG also would require either additional assumptions or additional elaborate analysis, according to the Postal Service. Opposition at 7. It estimates that this “might readily consume several weeks and perhaps longer.”


From Postal Service’s pleadings, it appears plausible that accurate breakdowns of its accrued costs by CAG would require a considerable amount of analytical effort in addition to the data processing task of associating facility finance numbers with CAGS. Imposing this substantial burden on the Postal Service is not warranted where the OCA has given no indication as to how it could use CAG breakdowns of accrued costs in its direct case, and no potential use of such information is self-evident. Accordingly, the OCA’s Motion will be denied.

The Postal Service's Opposition was filed one day late. Its motion for late acceptance is granted.

RULING

1. The Office of the Consumer Advocate Motion to Compel Responses to Interrogatories OCA/USPS-T5-34-36 to United States Postal Service Witness Alexandrovich, filed September 26, 1997, is denied.

2. The Postal Service's motion for late acceptance of its Opposition is granted.

  
Edward J. Gleiman  
Presiding Officer