

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

POSTAL RATE AND FEE CHANGES

Docket No. R2006-1

**OBJECTION OF UNITED STATES POSTAL SERVICE TO INTERROGATORY OF
DISCOVER FINANCIAL SERVICES LLC & MORGAN STANLEY, INC. (DFS & MSI)
TO THE UNITED STATES POSTAL SERVICE (DFS & MSI/USPS-2)
(July 24, 2006)**

The United States Postal Service hereby objects to the above-referenced interrogatory, directed to the Postal Service on July 14, 2006. The interrogatory notes that "Library Reference USPS-LR-L-139 documents the development of test year unit costs by shape and ounce increment for First-Class Single Piece using inputs developed under the the Postal Service cost methodology," and requests "Please provide comparable information for First-Class Single Piece using the PRC cost methodology."

The Postal Service objects to this interrogatory on several grounds. First, the interrogatory is not within the scope of discovery, because the response could be developed by the requestors themselves. Black's Law Dictionary indicates that discovery is disclosure by one entity of facts, titles, documents or other things which are in the entity's exclusive knowledge or possession, and which could become evidence. Library Reference USPS-LR-L-139 was supplied by the Postal Service on June 13, 2006, in response to interrogatories of David B. Popkin, DBP/USPS-40-42, and provided supporting documentation for the information requested in the Popkin interrogatory. This Library Reference is available to Discover Financial Services & Morgan Stanley, Inc. (hereinafter DFS & MSI).

The interrogatory requests that the Postal Service use inputs required by the PRC cost methodology in place of those used by the Postal Service in its methodology to provide comparable information for First-Class Single Piece mail using the PRC methodology, rather than that of the Postal Service. The interrogatory, therefore,

requires the Postal Service to examine the Commission's methodology, and to substitute it for the Postal Service's own methodology to produce the requested information. The DFS & MSI interrogatory doesn't request anything that can't be produced by DFS & MSI itself from information already at its disposal. DFS & MSI are just as able as is the Postal Service to examine the PRC methodology and to apply it in the procedures already provided by the Postal Service. Discovery is not needed for DFS & MSI to obtain and develop the information they seek as evidence, because the requested information is not within the Postal Service's exclusive knowledge or possession, and can be made available without Postal Service involvement.

Second, even if the Postal Service were to substitute PRC methodology for its own to develop the information sought by DFS & MSI, such information would not be "reasonably calculated to lead to the discovery of admissible evidence" as required by the Commission's Rules of Practice. See 39 C.F.R. §§ 3001.25, 3001.26. The Postal Service, in its testimony, interrogatory responses, and other materials developed as evidence, clearly indicates that it does sponsor or otherwise endorse any versions which utilize PRC methodologies inconsistent with its own. The requested information, if it is to become evidence, will require sponsorship by someone other than the Postal Service.

Third, the interrogatory is unduly burdensome. The requesting parties have access to the same materials required by the Postal Service to produce the information requested by the interrogatory. They have access to the same PRC methodology. In order to qualify the information they request for admission into evidence, they would have to familiarize themselves with the application of the Commission's methodology to sponsor it as evidence. A response by the Postal Service simply saves the requesting parties from doing calculations they could do for themselves. Under these circumstances, it is undue burden for the Postal Service to respond to this interrogatory, especially given the strain on its resources from responding to appropriate discovery within the last four remaining days available to respond to such requests. In the unlikely event that DFS & MSI requires information not available to them to apply the PRC methodology to the existing material, the Postal Service would supply such information.

DFS & MSI fails to meet its burden of showing the requested information falls within the scope of discovery and is “reasonably calculated to lead to the discovery of admissible evidence” as required by the Commission’s Rules of Practice. The requested information is readily available to the requestors and can be developed by them. Its development of the Postal Service would not result in admissible evidence, in itself, and it would be undue burden to the Postal Service to develop it. For these reasons, the Postal Service objects to providing a response to this interrogatory.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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