

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

Complaint on Electronic Postmark®

Docket No. C2004-2

REVISED OBJECTION OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE OCA (OCA/USPS-RT1-1.c. - h., 5, 12, 23.b.- d.) --
ERRATA
(July 31, 2006)

The United States Postal Service hereby objects to the following interrogatories of the OCA, filed on July 21, 2006: OCA/USPS-RT1-1.c. - h., 5, 12, 23.b. – d.

OCA/USPS-RT1-1

In its entirety, question 1 reads:

OCA/USPS-RT1-1. At page 3 of your testimony, you make the statement that the Technology Applications group was tasked with developing technology-based applications products, or services-oriented capabilities that would enable the Postal Service to better serve its customers. The following questions are limited to domestic (non-international) activities of the Postal Service.

- a. Please provide a detailed description of the Postal Service's "customers" as used at page 3, line 7. Address, in this description, whether the Postal Service views its customers as limited to those individuals and businesses that send or receive "personal, educational, literary, and business correspondence," as well as packages.
- b. If the Postal Service customer base is limited to individuals and businesses that send or receive "personal, educational, literary, and business correspondence," and packages, then does the Postal Service view Electronic Postmark (EPM) customers as part of the set of individuals and businesses that send or receive "personal, educational, literary, and business correspondence" and packages. Explain in full.
- c. If the Postal Service customer base includes other types of "customers," additional to individuals and businesses that send or receive "personal, educational, literary, and business correspondence," and packages, are there any limits on whom the Postal Service might view as a customer? If there are limits, what are they?
- d. Are there any limits on the types of commercial or retail services that the Postal Service might decide to provide to its customers, e.g.,

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selling doughnuts? Selling shoes? Selling homeowners insurance to non-employees? Providing a full array of banking services (for a fee) to non-employees? Explain fully. If there are limits, what are they?

e. Is it the policy of the Postal Service to limit the commercial or retail services it provides to mail-related services? If not, why not?

f. Is it the policy of the Postal Service to limit the commercial or retail services it provides to services that are close substitutes for mail, e.g. PostECS? If not, why not?

g. Does the Postal Service take the view that it may provide any type of commercial/retail product or service solely to earn additional revenues, without regard to the nature of the service and whether it has a close relationship to mail? Please explain fully.

h. Does the Postal Service take the view that there are any limitations on its ability to provide “nonpostal” services to its customers? Please explain fully.

i. Is EPM a postal service? Please explain

j. Or is EPM a “nonpostal” service? Please explain.

k. How does EPM relate to the Postal Service’s core mission to provide *mail* services and services incidental to *mail* services?

i. Is EPM a mail service?

ii. Is EPM incidental to a mail service?

iii. Is it the Postal Service’s position that EPM has nothing whatsoever to do with mail?

iv. Is EPM a service that comes within the Postal Service’s fundamental mission because it is a substitute for/functions like a mail service?

v. Explain your answers to k.i. – iv. fully.

The question can be divided into parts which inquire about the single service at issue in this proceeding, USPS EPM, and parts which do not inquire about USPS EPM. The first set includes parts a.-b. and parts i.-k., and the second set includes parts c.-h. The second set consists of questions that are abstract inquiries about other non-postal services, real or potential. Such questions are not relevant to the material issues before

the Commission, and the Postal Service objects to parts c.-h. on those grounds.

OCA/USPS-RT1-5

The question reads:

OCA/USPS-RT1-5. Please provide the Statement of Work for the 1995 focus group research (USPS-T-1 at 3, L. 19 – p. 4, l. 8). Provide the results of the focus group, including any reports that describe the results of the research.

The Postal Service is attempting to find a copy of the Statement of Work, and does not object to providing it if it is available. The results of the focus group research, however, are proprietary. The Postal Service, like its commercial counterparts, does not routinely place into the public domain documents encompassing the entirety of the results of research it has initiated and funded. Such a practice would allow potential competitors to share the full benefits of the research, without having to invest any of their own resources to obtain those benefits. Moreover, given the remote relevance of these documents to the only material issue identified for resolution by the Commission in this proceeding, there seems to be particularly poor justification for the Postal Service to deviate from its normal practice (i.e. not disclosing proprietary information) in this instance. As witness Foti indicated on page 2 of his testimony, the historical background he presented was primarily intended to counter the erroneous statements by the DigiStamp witness that USPS EPM is a relatively recent service, which could not be left un rebutted on the chance that such misstatements perhaps might have greater relevance in some other future proceeding in some other forum. On the other hand, if the requested materials were deemed to be of sufficient relevance to warrant examination, protective conditions probably could be devised to surmount the Postal Service's proprietary concerns.

OCA/USPS-RT1-12

The question reads:

OCA/USPS-RT1-12. Please provide any slides, handouts or other materials distributed in connection with the Board of Governors briefing (USPS-T-1 at 6, l. 4 – 5).

The Postal Service has located one set of potentially responsive materials in its files from the time frame identified in the testimony. As of yet, however, no determination has been made as to whether these materials were actually distributed at a Board meeting, and, if so, whether such meeting was open or closed. The Postal Service is exploring those issues. In general, the Postal Service does not release confidential material provided to the Board to aid its internal deliberations. The material in question seems to fit within category. Unless the Postal Service is able to determine that the material was actually distributed in connection with an open Board meeting, the Postal Service objects on the grounds of deliberative process privilege. Additionally, given that the time frame in question is approximately ten years ago, the relevance of the contents of any such materials (as opposed to the fact that the Board was briefed long before the time erroneously postulated by witness Borgers as the start date for USPS EPM, which was the sole purpose of the reference in witness Foti's testimony) is also dubious.

OCA/USPS-RT1-23

The question in its entirety reads:

OCA/USPS-RT1-23. Please provide a copy of the October 2001 Request for Information (RFI) published in the Commerce Business Daily concerning Electronic Postmark (EPM) (USPS-T-1 at 10, l. 10 -12).

- a. How many companies responded?
- b. Which companies responded?

- c. Why did the Postal Service choose Authentidate?
- d. What were the reasons for not choosing the other applicants?

The Postal Service is willing to provide a copy of the RFI, and provide an answer to part a. indicating how many companies responded. The Postal Service objects to parts b.-d. on the grounds of relevance, commercial information, and deliberative process. The nature of the service provided as USPS EPM is what is relevant in this case; not the process by which that service came into being. Particularly not relevant are details of why some other service (e.g., in conjunction with some entity other than Authentidate) did not come into being. Additionally, entities that were not chosen may consider the existence of their response to the RFI to be commercially-sensitive information, and may not care to have their identities publicly disclosed. For its part, the Postal Service considers the reasons why it chose Authentidate and not some other applicant to constitute the essence of its deliberative process. Public disclosure of the details of that process could harm the Postal Service in its ability to attract respondents to similar future RFIs, and could harm the ability of the Postal Service to negotiate the best possible deals in the future. Given the lack of relevance of such privileged information to the sole material issue before the Commission, the Postal Service objects to parts b.-d. of question 23.

Therefore, on the grounds identified above, the Postal Service objects in whole or in part to OCA/USPS-RT1-1.c.- h., 5, 12, and 23.b. – d.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

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July 31, 2006