

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes

Docket No. R2006-1

PRESIDING OFFICER'S RULING
CONCERNING MOTION TO COMPEL A RESPONSE TO
INTERROGATORY DFC/USPS-77

(September 28, 2006)

On September 15, 2006, Douglas F. Carlson filed a motion to compel a response to interrogatory DFC/USPS-77.¹ The interrogatory asks whether certain collection locations comply with various collection requirements specified in the Postal Operations Manual (POM). The Postal Service filed an objection to responding to this interrogatory on September 1, 2006, and filed a response to the motion to compel on September 22, 2006.²

DFC/USPS-77.

Please refer to the responses to DBP/USPS-91, DFC/USPS-35, and DFC/USPS-75.

- a. Please confirm that the final weekday collection times listed below for collection boxes at the following stations of the post office in New York, New York, are not consistent with POM sections 321 to 326 and, in particular, section 322. If you do not confirm, please provide the POM sections that may justify an exception and the reasons in support thereof:

¹ Douglas F. Carlson Motion to Compel the United States Postal Service to Respond to Interrogatory DFC/USPS-77, September 15, 2006 (Motion).

² Objection of the United States Postal Service to Interrogatory of Douglas Carlson (DFC/USPS-77), September 1, 2006 (Objection); Response of the United States Postal Service in Opposition to Douglas Carlson Motion to Compel a Response to DFC/USPS-77, September 22, 2006 (Response).

Location ID	Station	Street Address	Time
1000200016	Pitt	185 Clinton Street	Noon
1000200081	Knickerbocker	128 E Broadway	Noon
1000900005	Peter Stuyvesant	432 E 14th St	1 PM
1000300036	Cooper	93 4th Ave	1 PM

- b. Please confirm that the final weekday collection times prior to 5:00 PM at all stations of the post office in Bronx, New York, except the Co-op Station at 3300 Conner Street are not consistent with POM sections 321 to 326 and, in particular, section 322. If you do not confirm, please provide the POM sections that may justify an exception and the reasons in support thereof.

Mr. Carlson's overall line of questioning explores Postal Service collection policy and compliance with that policy. He contends that the Postal Service's response to interrogatory DBP/USPS-91 provides one example of where exceptions to a specific collection policy requirement in the POM would be justified. Mr. Carlson submits that "[u]nderstanding the extent to which the Postal Service approves exceptions to stated policies or ignores stated policies is critical to understanding the policy." He argues that "if the Postal Service ignores a policy 25 percent of the time, the actual policy, for purposes of understanding the value of mail services that rely on collections, will be far different than if the Postal Service observes a policy 99 percent of the time." Motion at 2.

Mr. Carlson asserts that he posed interrogatory DFC/USPS-75 to seek other examples of conditions that might justify exceptions to collection policy. He contends that the Postal Service's response did not provide the examples he sought. Mr. Carlson states that he filed interrogatory DFC/USPS-77 with specific examples of apparent inconsistencies with policy and asked for confirmation that these examples are inconsistent with policy or an explanation of why exceptions might be justified. He believes that the examples cited in interrogatory DFC/USPS-77 are representative of the types of deviations that exist.

The Postal Service objects to interrogatory DFC/USPS-77 on the grounds of relevance, materiality, and undue burden. The Postal Service contends "no conclusion

relevant to ratemaking can be drawn from the ability or inability to establish that collection times on individual collection boxes are not in accord with POM guidelines.” Objection at 2. The Postal Service reiterates “it is not collection policy that might matter, it is actual collection service.” Response at 2.

Discussion. The Postal Service response to interrogatory DBP/USPS-91(a-d) affirms that specific sections of the POM represent Postal Service collection policy.³ However, the Postal Service notes that exceptions to the guidance in the POM should be expected. As one example, the Postal Service explains that post offices in some mountainous communities may be several hours from a processing plant. Because of this, a final collection time earlier than that specified by the POM may be required to handle the mail at the processing plant on that day. The Postal Service explains that POM § 313.1 “[a]rrange schedules consistent with requirements of the local community and timely handling of mail at the processing point” would take precedence in this example.

Mr. Carlson submitted interrogatory DFC/USPS-75 which asks if the distance of the post office from the processing plant or facility described in the response to DBP/USPS-91 is the “primary” condition for POM § 313.1 to take precedence over other POM sections, and to describe other conditions that would permit POM § 313.1 to take precedence over other POM sections. The Postal Service responded that no specific factor would be established as the primary condition in determining if an exception to POM instructions were justified, and that each case would be considered based on the circumstances involved. The Postal Service stated that it is not possible to anticipate or document all conditions that might require an exception.

In interrogatory DFC/USPS-35, Mr. Carlson sought information from the Collection Point Management System (CPMS). For every collection box in the database, Mr. Carlson requested the location ID number, box address, description of

³ The Postal Service notes exceptions where the POM does not reflect policy concerning the operational changes to eliminate Sunday processing and Sunday collections, and the gradual reduction in holiday mail processing which obviated the need for holiday collections.

address, service class, type of box, area of box, posted weekday collection times, posted Saturday collection times, and posted holiday collection times. The Postal Service provided Excel files with the requested information pursuant to Presiding Officer's Ruling No. R2006-1/38 (granting a motion to compel). Mr. Carlson subsequently filed a copy of the database as DFC-LR-2.

The review of the lead-in questions to the discovery dispute concerning interrogatory DFC/USPS-77 indicate that the Postal Service has been responsive to the precursor interrogatories, even accepting that Mr. Carlson may not have received the response he expected to DFC/USPS-75. The line of questioning, in broad, general terms, seeks relevant information that can be used to evaluate the impact of collection service in regard to the value of service criteria of the Postal Reorganization Act. This is especially relevant to the analysis of First-Class Mail. Collection "policy" is relevant to this evaluation because it should provide a description of the "actual" collection service that is being provided.⁴ It previously was determined that the POM is relevant as far as it is an indication of actual Postal Service policy. Presiding Officer's Ruling No. R2006-1/19 at 4. A demonstration of a significant deviation from policy on a national (or even a regional) level could cast doubt on what service is actually being provided, which could impact the value of service evaluation in this rate case.

Mr. Carlson already has been provided the information necessary to analyze the Postal Service's actual collection service from a national perspective with a focus on collection boxes. The CPMS data provided through the response to interrogatory DFC/USPS-35 includes the location and collection times for most collection boxes in the nation. This data can be analyzed to establish collection box parameters and patterns, and used to draw conclusions about the actual levels of collection service at the national level. The patterns and parameters established also can be used for comparison against stated policy, although this comparison is of quite limited value once actual knowledge of collection service is established.

⁴ A stated policy is also important to inform mailers as to what service is to be expected.

The Collection Box Management System (CBMS) data provided through the response to interrogatory DFC/USPS-49 provides Mr. Carlson with additional data similar to the CPMS data, but from a historical perspective.⁵ The CBMS data can be used with the CPMS data to analyze historical trends in collection service. This analysis is relevant to Mr. Carlson's testimony that the Postal Service has steadily eroded collection service over time. DFC-T-1 at 50.

In the context of an omnibus rate case, the primary goal is to establish system-wide rates and classifications with a focus on complying with the factors of the Act. The reasons why particular collection boxes deviate from stated policy has limited usefulness once the parameters of the actual collection service are understood. An understanding of the actual parameters of collection service allows participants to argue the value of the collection service actually provided, and allows the Commission to consider the value of collection service as required by the Act. The reasons for deviation from policy do not add significantly to this consideration.

Mr. Carlson has requested, and been given, data sufficient to perform meaningful analysis concerning the Postal Service's collection system. The available CBMS and CMPS data at the national level provides far greater insight into the collection system than a response to the limited information requested by interrogatory DFC/USPS-77. The motion to compel is denied.

RULING

The Douglas F. Carlson Motion to Compel the United States Postal Service to Respond to Interrogatory DFC/USPS-77, filed September 15, 2006, is denied.

George Omas
Presiding Officer

⁵ The Postal Service's response to DFC/USPS-49 also was provided pursuant to Presiding Officer's Ruling No. R2006-1/38.