

ORIGINAL

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

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POSTAL RATE AND FEE CHANGES, 1997)

Docket No. R97-1

OBJECTIONS OF CTC DISTRIBUTION SERVICES, L.L.C.
TO INTERROGATORIES PROPOUNDED BY UNITED PARCEL SERVICE
TO WITNESS JOHN L. CLARK
(UPS/CTC-T1-2, 3, 4, 8(a), and 9)
(January 30, 1998)

CTC Distribution Services, L.L.C., through its undersigned counsel, hereby objects to Interrogatories 2, 3, 4, 8(a), and 9 (UPS/CTC-T1-2, 3, 4, 8(a), and 9) propounded to witness John L. Clark by United Parcel Service, and served on January 20, 1998.

The reasons for these objections are that the interrogatories demand information that is confidential, privileged and proprietary business information, that the information sought is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence, and that the interrogatories are unduly burdensome and intrusive.

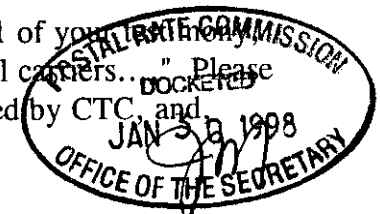
The interrogatories that are being objected to read as follows:

UPS/CTC-T1-2. Please refer to lines 8 through 14 on page 1 of your testimony, and in particular to lines 13-14, which state, "Final delivery is made by a parcel delivery company."

- (a) For each year from 1990 through 1997, identify all parcel delivery companies used by CTC to make final delivery.
- (b) For 1997, provide the number of parcels delivered by each parcel delivery company used by CTC to make final delivery.

UPS/CTC-T1-3. Provide separately for each year from 1993 through 1997 the number of parcels sent by CTC in each separate Postal Service subclass and rate category.

UPS/CTC-T1-4. Please refer to lines 17 through 21 on page 1 of your testimony where you indicate that CTC "is a user of ... local and regional carriers..." Please provide a list of all local and regional carriers (a) currently used by CTC, and



separately, (b) used by CTC at any time during 1997 "for the final delivery of [CTC's] shipments" (see line 21 on page 1 of your testimony).

UPS/CTC-T1-8. (a) Please refer to lines 2 through 6 on page 3 of your testimony. For 1997, provide separately the volume of packages entered by CTC at:

- (1) Origin Bulk Mail Centers;
- (2) Destination Bulk Mail Centers;
- (3) Destination Sectional Center Facilities;
- (4) Destination Delivery Units.

UPS/CTC-T1-9. Assuming the discounts and rates for Parcel Post proposed by the Postal Service in this proceeding were implemented, provide an estimate of (a) the total number of parcels CTC will enter at Postal Service facilities in 1999 and (b) the number of parcels CTC will enter in 1999 at the following types of Postal Service facilities:

- (1) Origin Bulk Mail Centers;
- (2) Destination Bulk Mail Centers;
- (3) Destination Sectional Center Facilities;
- (4) Destination Delivery Units.

The grounds for CTC's objections are as follows:

UPS/CTC-T1-2:

(a) This interrogatory seeks information that is confidential, proprietary business information, which should not be disclosed, and which is irrelevant to any issue in this proceeding. Precisely which parcel delivery companies are used by CTC to make final delivery has nothing to do with the foundation or the merits, either of Mr. Clark's testimony or of any proposal yet advanced in this proceeding. CTC uses various parcel delivery carriers on various delivery projects, operating in limited geographical areas at various times, in addition to using the United States Postal Service and UPS. The interrogatory is unnecessarily intrusive, and seeks information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence.

(b) The statement in the testimony (cited by the interrogatory) is an uncontroversial, explanatory statement of how CTC's parcels are delivered — final delivery of parcels is made by parcel delivery companies. It is not relevant to this proceeding which companies were used and to what degree. The attempt to force CTC to go behind its simple explanatory statement about the parcel delivery process and to identify, sum, and report data on which company delivered each parcel during 1997 is unduly intrusive and burdensome, and would not benefit either the Commission or any participant in this docket regarding the proposals being contested. Furthermore, the information that is sought is neither relevant to the issues herein nor reasonably calculated to lead to the discovery of admissible evidence.

UPS/CTC-T1-3: Forcing CTC to identify, sum, and report data on the subclass and rate category of each parcel mailed by CTC over a 5-year period, 1993-97, is extremely and unduly burdensome, and again would not benefit either the Commission or any participant in this docket regarding the proposals being contested. Certainly, such detailed information is not necessary to establish either witness Clark's familiarity with, or CTC's reliance upon, various products offered by the Postal Service. Furthermore, the information that is sought is neither relevant to the issues herein nor reasonably calculated to lead to the discovery of admissible evidence.

UPS/CTC-T1-4: This interrogatory seeks information that is confidential, proprietary business information, which should not be disclosed, and which is irrelevant to any issue in this proceeding. Precisely which local and regional carriers are used by CTC has nothing to do with the foundation or the merits, either of Mr. Clark's testimony or of any proposal yet advanced in this proceeding. The interrogatory is unnecessarily intrusive, and seeks

information that is neither relevant nor reasonably calculated to lead to the discovery of admissible evidence. *See* objection to UPS/CTC-T1-2(a), *supra*.

UPS/CTC-T1-8(a): The statement in the testimony (cited by the interrogatory) is hardly subject to dispute.

The purpose of this testimony is to support, and urge the Postal Rate Commission to recommend, the Postal Service's proposals which relate to the entry of parcels at Origin Bulk Mail Centers, Destination Bulk Mail Centers ("DBMCs"), Destination Sectional Center Facilities ("DSCFs"), and Destination Delivery Units ("DDUs").

A simple reading of the entire testimony will demonstrate support for this statement. There is no legitimate reason for UPS to want CTC to identify, sum, and report where each mailpiece mailed by CTC was dropshipped during 1997? The Postal Service has already provided the evidentiary support for its proposals. Witness Clark has testified fully regarding the business reasons underlying his testimony. The information sought by UPS is privileged business information, unnecessary for resolution of the issues before the Commission, and its disclosure here would also be unduly burdensome.

UPS/CTC-T1-9: Disclosure of the requested information would reveal confidential, closely held information about CTC's pricing strategies and is extremely sensitive proprietary information. Furthermore, the requested information would not benefit either the Commission or any participant in this docket regarding the proposals being contested. The information sought is irrelevant to the issues herein, and is not reasonably calculated to lead to the discovery of admissible evidence.

In review, Interrogatories UPS/CTC-T1-2, 3, 4, 8(a), and 9 demand information that is neither relevant to the issues in this proceeding nor reasonably calculated to lead to the

discovery of admissible evidence. UPS' unreasonable demands, including those for detailed information about past and prospective CTC mailing practices, are clearly irrelevant, and are also objectionable for being unreasonably burdensome and intrusive. UPS is seeking proprietary and confidential business information, and there is no justifiable reason for the disclosure of such information.

Respectfully submitted,

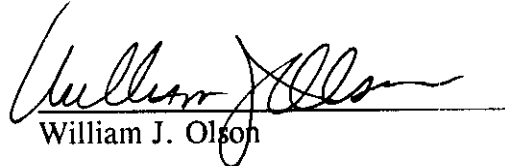


William J. Olson
John S. Miles
Alan Woll
John F. Callender, Jr.
WILLIAM J. OLSON, P.C.
8180 Greensboro Drive, Suite 1070
McLean, Virginia 22102-3823
(703) 356-5070

Counsel for CTC Distribution Services, L.L.C.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served this document upon all participants of record in this proceeding in accordance with Section 12 of the Rules of Practice.



William J. Olson

January 30, 1998