

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268

DSCF STANDARD MAIL LOAD LEVELING

Docket No. N2014-1

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING OF A
LIBRARY REFERENCE AND APPLICATION FOR NON-PUBLIC TREATMENT**
(February 4, 2014)

The United States Postal Service hereby gives notice of the filing today of the following nonpublic library reference in Docket No. N2014-1:

**LR-N2014-1/NP7 Disaggregated Data Provided In Response to
Interrogatory PR/USPS-T2-2(c)**

This Category 4 library reference provides information in response to PR/USPS-T2-2(c). For this library reference, an application for non-public treatment is included as an attachment to this notice.

Respectfully submitted,

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ATTACHMENT 1

APPLICATION OF THE UNITED STATES POSTAL SERVICE FOR NON-PUBLIC TREATMENT OF MATERIALS

In accordance with 39 C.F.R. § 3007.21 and Order No. 225,¹ the United States Postal Service (Postal Service) hereby applies for non-public treatment of certain materials filed under seal with the Commission. The materials sought to be protected comprise a portion of USPS-LR-N2014-1/NP7 and consist of facility-specific daily Delivery Operations Information System (DOIS) volumes and workhours data for the South Jersey Processing and Distribution Center for August 1, 2012 to September 30, 2012. This information is disaggregated by carrier route.

(1) The rationale for claiming that the materials are non-public, including the specific statutory basis for the claim, and a statement justifying application of the provision(s);

The materials consist of information of a commercial nature that under good business practice would not be publicly disclosed. In the Postal Service's view, this information would be exempt from mandatory disclosure pursuant to 39 U.S.C. § 410(c)(2) and 5 U.S.C. § 552(b)(3).² Because the materials that the Postal Service is applying to file under seal fall within the scope of information not required to be publicly disclosed, the Postal Service asks the Commission to support its determination that

¹ Order No. 225, Final Rules Establishing Appropriate Confidentiality Procedures, Docket No. RM2008-1 (June 19, 2009).

² In appropriate circumstances, the Commission may determine the appropriate level of confidentiality to be afforded to such information after weighing the nature and extent of the likely commercial injury to the Postal Service against the public interest in maintaining the financial transparency of a government establishment competing in commercial markets. 39 U.S.C. § 504(g)(3)(A). The Commission has indicated that "likely commercial injury" should be construed broadly to encompass other types of injury, such as harms to privacy, deliberative process, or law enforcement interests. Order No. 194, Second Notice of Proposed Rulemaking to Establish a Procedure for According Appropriate Confidentiality, Docket No. RM2008-1, at 11 (Mar. 20, 2009).

these materials are exempt from public disclosure and grant its application for their non-public treatment.

(2) Identification, including name, phone number, and email address for any third-party who is known to have a proprietary interest in the materials, or if such an identification is sensitive, contact information for a Postal Service employee who shall provide notice to that third party;

None.

(3) A description of the materials claimed to be non-public in a manner that, without revealing the materials at issue, would allow a person to thoroughly evaluate the basis for the claim that they are non-public;

In USPS-LR-N2014-1/2, Postal Service witness Malone provided data demonstrating the calculation of the net savings in city carrier delivery workhours for the South Jersey Operations Test environment. USPS-LR-N2014-1/NP7, the material claimed to be non-public, provides more disaggregated operations-specific daily DOIS volumes and workhours for the test site from August 1, 2012 to September 30, 2012.

(4) Particular identification of the nature and extent of commercial harm alleged and the likelihood of such harm;

If the operation-specific mail volume data that the Postal Service has determined to be protected from disclosure due to its commercially sensitive nature were to be disclosed publicly, the Postal Service considers it quite likely that it would suffer commercial harm. This information is commercially sensitive, and the Postal Service does not believe that it would be disclosed under good business practices. When such data are associated with specific facilities, competitors could use the information to identify geographic locations where it would be profitable for such competitors to extend or build up their delivery networks. The Postal Service considers this to be highly a

probable outcome that would result from public disclosure of the material filed non-publicly.

(5) At least one specific hypothetical, illustrative example of each alleged harm;

Identified harm: Public disclosure of information contained in Library Reference USPS-LR-N2014-1/NP7 would help competitors capture portions of the Postal Service's market share, by facilitating the identification of geographic locations where it would be profitable for such competitors to extend or build up their delivery networks.

Hypothetical: Unlike the Postal Service, whose universal service obligation requires its delivery network to extend throughout the entire country, a distributor of matter mailable as DSCF Standard Mail may have left portions of the country out of its network or underserved by its network. By analyzing the facility-specific daily volume data contained in USPS-LR-N2014-1/NP7, the company identifies geographic locations where, based on unexpectedly high mail volumes, it would be profitable for the company to extend or further build up its network. By taking these steps, the company is in a better position to compete with the Postal Service and capture portions of the Postal Service's market share of matter that can be sent as DSCF Standard Mail.

(6) The extent of protection from public disclosure deemed to be necessary;

The Postal Service maintains that the materials filed non-publicly should be withheld from persons involved in competitive decision-making in the relevant markets, as well as their consultants and attorneys. Additionally, the Postal Service believes that actual or potential customers of the Postal Service should not be provided access to the nonpublic materials.

(7) The length of time deemed necessary for the non-public materials to be protected from public disclosure with justification thereof; and

The Commission's regulations provide that non-public materials shall lose non-public status ten years after the date of filing with the Commission, unless the Commission or its authorized representative enters an order extending the duration of that status. 39 C.F.R. § 3007.30. The Postal Service believes that the ten-year period of non-public treatment is sufficient to protect its interests with regard to the information covered by this application.

(8) Any other factors or reasons relevant to support the application.

None.

Conclusion

For the reasons discussed above, the Postal Service requests that the Commission grant its application for non-public treatment of the identified materials.