

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

EXPERIMENTAL PERIODICALS
CO-PALLETIZATION DROPSHIP
DISCOUNTS FOR HIGH EDITORIAL
PUBLICATIONS, 2004

Docket No. MC2004-1

OBJECTION OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY TW/USPS-T1-9 OF TIME WARNER, INC.
(March 31, 2004)

In accordance with Rules 25 and 26 of the Commission's Rules of Practice and Procedure, the Postal Service hereby objects to interrogatory TW/USPS-T1-9, filed by Time Warner, Inc. (Time Warner) on March 24, 2004, on grounds of relevance, overbreadth, and burden.

The interrogatory states:

TW/USPS-T1-9 Please describe all data collection efforts and analytical studies performed by the Postal Service since January 2001 that concern the Postal Service's unit costs of handling sacks, pallets and bundles of Periodicals and/or Standard flats, and the impact of container presort level and entry point (DDU, DSCF, DADC, etc.) on such unit costs. Please describe both the methodology used and results obtained from any such studies and indicate whether, and if so how, you took those results into account when preparing your present testimony.

This interrogatory relates to Time Warner's complaint in Docket No. C2004-1, rather than this docket's proposal for an expansion of the Periodicals co-palletization

experiment.^{1/} Witness Taufique clearly states that the proposed discounts were developed based on dropshipping rate differentials resulting from Docket No. R2001-1, rather than cost differences between sacks and pallets, or any separate analysis of cost savings. USPS-T-1 at 14. Moreover, Time Warner has not raised sack, pallet, and bundle handling costs as an issue in this proceeding.^{2/} Thus, this interrogatory is beyond the scope of this proceeding, and is not relevant to any issue in this docket.

The high burden of actually conducting the analyses and studies sought by TW/USPS-T1-9 is manifest in the broad sweep of the question, covering as it does a wide range of container types, presortation levels, and, implicitly, operations and facility types. Given this exceptional breadth, moreover, the burden of inquiring with all pertinent postal functions, facilities, and personnel, giving allowance for “all data collection efforts and analytical studies”, would also be vast. On its face, the request would seem to entail many hundreds of personnel hours to make such determinations; given the unambiguous dissociation between the information sought and issues raised by the Request, no such search is warranted.^{3/}

^{1/} In Docket No. C2004-1, Time Warner and other large Periodicals mailers complain about rate averaging within Periodicals Mail, and seek rates based on unit costs for processing sacks, pallets, and bundles. The Complainants note that the only available costing data come from the Docket No. R2001-1 omnibus proceeding. This interrogatory effectively seeks to remedy that shortcoming by asking for any more current data related to processing flat-shaped mail.

^{2/} See Comments of Time Warner Inc. on the Need for a Hearing (March 22, 2004), and Time Warner’s comments at the Prehearing Conference, Tr. 1/12-13.

^{3/} While the reasons behind Time Warner’s attempt to elicit the information sought by interrogatory TW/USPS-T1-9 in this docket remain unexplained, subsequent to its filing the Commission decided to consider Time Warner’s complaint. Order No. 1399 (March 26, 2004).

The interrogatory is also overbroad in requesting information on “all data collection efforts and analytical studies.” This appears to include preliminary analyses and data collection that would not be useful or accurate for determining cost differentials.

The Presiding Officer should not permit Time Warner to initiate discovery in a new area that is beyond the limited scope of this proceeding. The Postal Service accordingly objects to Interrogatory TW/USPS-T1-9 on the grounds that it is neither relevant nor material to the proposals in this docket, and that it is overbroad and unduly burdensome.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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CERTIFICATE OF SERVICE

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

David H. Rubin

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