



March 27, 2018

Steven J. Bahnsen
2921 South Michigan Avenue, Suite 404
Chicago, IL 60616-3255

Re: Postal Service's Leased Facilities Report

Dear Mr. Bahnsen:

This letter responds to your inquiry to Mr. Samra on March 14, 2018, in which you requested the Postal Service's rationale for ceasing the compilation and publication of certain categories of leasing data in the USPS Lease Facilities Report ("Report"). For the reasons discussed below, our decision was based on a determination that continuing to compile and provide certain data was inconsistent with good business practice because it places us at a disadvantage in our leasing activities, to our potential financial detriment. In addition, please be assured that our decision fully accords with our obligations under the Freedom of Information Act (FOIA).

Previously, the Postal Service voluntarily compiled and published in the Report certain commercial information regarding our leases, including rents, occupancy dates, and allocation of responsibility for maintenance and taxes. However, we recently re-assessed that practice, based on a determination that the voluntary disclosure of much of this information to lessors can hinder our ability to negotiate leases that are fair to the Postal Service. For instance, some lessors were using the information in the Report to demand above market leases when our existing leases expired. In a typical commercial real estate transaction, a lessor and a commercial tenant rely on independently obtained information to negotiate a fair rent and other lease terms, and we have determined that it is in the financial interests of the Postal Service to move to such a model. Additionally, in certain markets, the Postal Service competes with other businesses for the same available space, and alerting these competitors to our lease terms provides them with an advantage that can result in our inability to lease needed space.

Our decision to cease compiling and providing this data in the Report also accords with our obligations under the FOIA. Given Congressional intent to have the Postal Service operate in a businesslike manner, Congress provided the Postal Service with a special FOIA exemption, codified at 39 U.S.C. 410(c) (2), to protect "information of a commercial nature, including trade secrets, whether or not obtained from a person outside the Postal Service, which under good business practice would not be publicly disclosed." We have determined that this leasing information clearly falls within the scope of that exemption, because it is not good business practice to voluntarily disclose this information. Moreover, the FOIA does not require the Postal Service to create records, and hence does not require that we continue to voluntarily compile and publish this data in the Report.

Sincerely,

A handwritten signature in blue ink that reads "Karen LaFave".

Karen LaFave

This reply came very quickly which was a pleasant surprise.

Note she used the word "voluntary" more than once. Should we take this to mean rental information remains available via the FOIA route?

If so how many offices per each FOIA? How is the USPS "creating" records when they are just providing them in in another location?

Clearly we need a test case on this.