

Before The  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

Rate and Service Changes to Implement )  
Baseline Negotiated Service Agreement ) Docket No. MC2005-3  
with Bookspan )

OFFICE OF CONSUMER ADVOCATE  
INTERROGATORIES TO UNITED STATES POSTAL SERVICE  
WITNESS MICHELLE K. YORGEY (OCA/USPS-T2-1-5)  
July 27, 2005

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Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents.

If data requested are not available in the exact format or level of detail requested, any data available in (1) a substantially similar format or level of detail or (2) susceptible to being converted to the requested format and detail should be provided.

The production of documents requested herein should be made by photocopies attached to responses of these interrogatories. If production of copies is infeasible due to the volume of material or otherwise, provision should be made for inspection of responsive documents at the Office of the Consumer Advocate, 1333 H Street, N.W., Washington, D.C. 20268-0001, during the hours of 8:00 a.m. to 4:30 p.m.

If a privilege is claimed with respect to any data or documents requested herein, the party to whom this discovery request is directed should provide a Privilege Log (see, e.g., Presiding Officer Ruling C99-1/9, p. 4, in *Complaint on PostECS*, Docket No.

C99-1). Specifically, “the party shall make the claim expressly and shall describe the nature of the documents, communications, or things not produced or disclosed in a manner that, without revealing information itself privileged or protected, will enable other parties to assess the applicability of the privilege or protection.” Fed. R. Civ. P. 26(b)(5).

The term “documents” includes, but is not limited to: letters, telegrams, memoranda, reports, studies, newspaper clippings, speeches, testimonies, pamphlets, charts, tabulations, and workpapers. The term “documents” also includes other means by which information is recorded or transmitted, including printouts, microfilms, cards, discs, tapes and recordings used in data processing together with any written material necessary to understand or use such punch cards, discs, tapes or other recordings.

“All documents” means each document, as defined above, that can be located, discovered or obtained by reasonable diligent efforts, including without limitation all documents possessed by: (a) you or your counsel; or (b) any other person or entity from whom you can obtain such documents by request or which you have a legal right to bring within your possession by demand.

“Communications” includes, but is not limited to, any and all conversations, meetings, discussions and any other occasion for verbal exchange, whether in person or by telephone, as well as all documents, including but not limited to letters, memoranda, telegrams, cables, or electronic mail.

“Relating to” means discussing, describing, reflecting, containing, analyzing, studying, reporting, commenting on, evidencing, constituting, setting forth, considering, recommending, concerning, or pertaining to, in whole or in part. Responses to requests

for explanations or the derivation of numbers should be accompanied by workpapers. The term "workpapers" shall include all backup material whether prepared manually, mechanically or electronically, and without consideration to the type of paper used. Such workpapers should, if necessary, be prepared as part of the witness's responses and should "show what the numbers were, what numbers were added to other numbers to achieve a final result." The witness should "prepare sufficient workpapers so that it is possible for a third party to understand how he took data from a primary source and developed that data to achieve his final results." Docket No. R83-1, Tr. 10/2795-96. Where the arithmetic manipulations were performed by an electronic digital computer with internally stored instructions and no English language intermediate printouts were prepared, the arithmetic steps should be replicated by manual or other means.

Please especially note that if you are unable to provide any of the requested documents or information, as to any of the interrogatories, provide an explanation for each instance in which documents or information cannot be or have not been provided.

Respectfully submitted,

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OCA/USPS-T2-1. Please refer to your testimony at pages 2 and 3, line 20, and lines 1-2, respectively, where it states “Discounts would be *earned* for volumes above 87 million pieces (the threshold), but the discounts would *not* be paid unless Bookspan actually mails 94 million pieces (the volume commitment).” (emphasis original). In the first year of the NSA, assuming Bookspan mails more than 87 million but less than 94 million pieces, under what circumstances (if any) could Bookspan be paid for the discounts earned on an annual volume between 87 million and 94 million pieces?

OCA/USPS-T2-2. Please refer to your testimony at page 12, lines 11-14, where it states, “The second feature . . . requires that volumes exceed incentive volume thresholds before discounts are payable.” Also, please refer to page 4, Table 1, the “Year 1 Structure” Volume Commitment of 94 million.

- a. Please confirm that the volume commitment of 94 million pieces, once achieved by Bookspan, causes the payment of discounts earned for volumes between 87 million and 94 million? If you do not confirm, please explain.
- b. Please explain how the volume commitment of 94 million pieces reduces the financial risk to the Postal Service.
- c. Please confirm that an “incentive volume threshold” of 94 million would be more advantageous to the Postal Service in terms of reducing financial risk on the downside than the 87 million incentive volume threshold. If you do not confirm, please explain.

OCA/USPS-T2-3. Please refer to Attachment A of your testimony, page 4, columns (1) and (9), the “TYBR 2006 Total Unit Cost (Dollars).” Please show the derivation of the figures used in columns (1) and (9), and citations to all sources.

OCA/USPS-T2-4. Please refer to Attachment A of your testimony, page 6, columns (1) and (9), the “TYBR 2006 Total Unit Cost (Dollars).” Please show the derivation of the figures used in columns (1) and (9), and citations to all sources.

OCA/USPS-T2-5. Please refer to the Request at Attachment F, Section I.A., where it states “Such letters may include promotions of Bookspan’s strategic business alliances.”

- a. Please explain what is meant by “Bookspan’s strategic business alliances.”
- b. Will the number of “Bookspan’s strategic business alliances” be fixed in number for the duration of the NSA? Please explain.
- c. What is to prevent Bookspan from becoming a “presort bureau” for those who belong to “Bookspan’s strategic business alliances?” Please explain.
- d. How does the Postal Service intend to monitor this section of the NSA?  
Please explain.