

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

RATE AND SERVICE CHANGES TO IMPLEMENT
BASELINE NEGOTIATED SERVICE AGREEMENT
WITH BOOKSPAN

Docket No. MC2005-3

**RESPONSE OF POSTAL SERVICE WITNESS PLUNKETT
TO INTERROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-T1-8, 9, 11 AND 12)**

The United States Postal Service hereby provides the response of witness Plunkett to the following interrogatory of the Office of the Consumer Advocate, filed on August 10, 2005: OCA/USPS-T1-8, 9, 11 and 12. Interrogatories OCA/USPS-T1-10 and 13 were redirected to Bookspan.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2999, Fax -5402
scott.l.reiter@usps.gov
August 25, 2005

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PLUNKETT
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-8. Is there a requirement in the NSA that Bookspan convert a specific number of New Membership Standard Flat-size mailings to New Membership Standard letter-size mailings? If your answer is "yes," please explain in detail and identify the required conversions by number and year, and provide a citation to the portion of the Agreement that contains the requirement.

OCA/USPS-T1-8 Response:

No.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PLUNKETT
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-9. Is there a requirement in the proposed DMCS language that Bookspan convert a specific number of New Membership Standard Flat-size mailings to New Membership Standard letter-size mailings? If your answer is “yes,” please explain in detail, identify the required conversions by number and year, and provide a citation to the DMCS provision that contains the requirement.

OCA/USPS-T1-9 Response:

No.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PLUNKETT
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-11. Please turn to the "Request of the United States Postal Service for a Recommended Decision on Classifications and Rates to Implement a Baseline Negotiated Service Agreement with Bookspan," Docket No. MC2005-3, July 14, 2005. Attachment A, 620.25 sets a solicitation volume cap of 150,000,000.

- a. Why is there a volume cap at 150,000,000 pieces?
- b. Is it not likely that pieces in excess of 150,000,000 are more likely to be new mail than is the case for pieces sent substantially before the mailing of piece number 150,000,000?

OCA/USPS-T1-11 Response:

- a. The Postal Service and Bookspan negotiated an agreement intended to produce net financial gains on both sides given shared expectations about the future. Both parties concede their imperfect ability to predict the future, and recognize that unforeseen circumstances could alter the business environment in ways that would subvert the intent of that agreement. The 150,000,000 piece was agreed to as an indicator that such changes warrant a reevaluation of our mutual expectations.
- b. Not necessarily, though I have not assigned relative probabilities to specific volume mail pieces likely to arise out of this agreement. See also my response to part a.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PLUNKETT
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-12. Please turn to the “Request of the United States Postal Service for a Recommended Decision on Classifications and Rates to Implement a Baseline Negotiated Service Agreement with Bookspan,” Docket No. MC2005-3, July 14, 2005. Attachment A, 620.22, contains a “Volume Commitment Adjustment Mechanism.”

- a. Would this adjustment procedure apply to entities acquired by Bookspan? If not, why not?
- b. Would this adjustment procedure apply to mailings conducted under the provisions of 620.11; that is, mailings conducted by entities in which Bookspan holds controlling shares, by vendors, or in conjunction with strategic business alliances? If not, why not?

OCA/USPS-T1-12 Response:

The procedure applies to all mail sent under the agreement.

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.

Scott L. Reiter

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
August 25, 2005