

**OFFICIAL TRANSCRIPT OF PROCEEDINGS
BEFORE THE
POSTAL REGULATORY COMMISSION**

In the Matter of:

The Bradford Group, NSA

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Docket No. MC2007-4

VOLUME #1

Date: August 28, 2007

Place: Washington, D.C.

Pages: 1 through 9

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POSTAL REGULATORY COMMISSION

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 In the matter of:))
) Docket No.: MC2007-4
 THE BRADFORD GROUP NSA))
 _____))

Suite 200
 Postal Regulatory Commission
 901 New York Avenue, N.W.
 Washington, D.C.

Tuesday, August 28, 2007

The above-entitles matter came on for hearing pursuant to notice, at 11:00 a.m.

BEFORE:

- HON. DAN G. BLAIR, Chairman
- HON. DAWN A. TISDALE, Vice Chairman
- HON. TONY HAMMOND, Commissioner
- HON. MARK ACTON, Commissioner

APPEARANCES:

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P R O C E E D I N G S

(11:05:17 a.m.)

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3 CHAIRMAN BLAIR: The Commission will
4 come to order. We have a new reporting system
5 today, and so at the earlier hearing we referenced
6 AAA Reporting. It's also known as Neal R. Gross and
7 Company. If you want copies of the transcript, or
8 additions, or questions about it, they should be
9 directed to AAA or Neal R. Gross, and they're at
10 1323 Rhode Island Avenue, N.W., in Washington, D.C.

11 So at this point, we will convene the
12 pre-hearing conference in Docket number MC2007-4,
13 considering the request of the United States Postal
14 Service for approval of a negotiated service
15 agreement with the Bradford Group. The requested
16 agreement is offered as functionally equivalent to
17 the current agreement between the Postal Services
18 and Bookspan.

19 I'm Dan Blair, Chairman of the Postal
20 Regulatory Commissioner, and with me today are Vice
21 Chairman Dawn Tisdale, and Commissioner Tony
22 Hammond, and Commissioner Mark Acton.

23 At this point, I'd like to ask counsel
24 to please identify themselves for the record.

25 MS. REED: Good morning, Mr. Chairman.

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1 CHAIRMAN BLAIR: Good morning.

2 MS. REED: Elizabeth Reed, on behalf of
3 the Postal Service, and Ken Hollies is with me.

4 CHAIRMAN BLAIR: Good morning. The
5 Bradford Group, please.

6 MR. VOLNER: Mr. Chairman, good morning.
7 Ian Volner on behalf of the Bradford Group.

8 CHAIRMAN BLAIR: Thank you, Mr. Volner.
9 American Catalog Mailers Association.

10 MS. LEONG: (Off mic) for ACMA.

11 CHAIRMAN BLAIR: Welcome, Ms. Leong.

12 MS. LEONG: Thank you. The Office of
13 Consumer Advocate.

14 MR. COSTICH: Thank you, Mr. Chairman.
15 Rand Costich for the OCA.

16 CHAIRMAN BLAIR: Pitney Bowes.

17 MR. MYERS: Good morning. Pierce Myers,
18 Michael Scanlin with K&L Gates will also be here.

19 CHAIRMAN BLAIR: Is Mr. Popkin in the
20 audience? Valpak Dealers Association, Valpak Direct
21 Marketing Systems, Incorporated? Is there anyone
22 else that I have missed? Thank you very much.

23 The Postal Service has indicated that it
24 viewed its proposal as one for which settlement
25 might be possible. Therefore, the Commission

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1 appointed a settlement coordinator, and a provided
2 an opportunity to convene a settlement conference,
3 which was scheduled to take place prior to this
4 hearing this morning.

5 As the first order of business, I'd like
6 to receive a progress report from the settlement
7 coordinator, and I understand that's the Postal
8 Service counsel.

9 MS. REED: Elizabeth Reed for the Postal
10 Service.

11 CHAIRMAN BLAIR: Thank you, Ms. Reed.

12 MS. REED: Earlier this morning, we had
13 some productive discussions with the counsel for the
14 other parties. And while we agree that settlement
15 is probably unlikely in this case, we did have
16 productive discussions about discovery, the scope of
17 discovery, and what parties planned in terms of
18 discovery. And we agreed on a set schedule of
19 September the 10th, which is a Monday, as the close
20 of initial discovery. The parties agreed that all
21 original interrogatories could be filed by then.
22 And at that point, most of the issues could be dealt
23 with via follow-up discovery after that date. And
24 then on September the 28th, we've agreed that if any
25 parties plan on filing testimony, or have the need

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1 for a hearing, intend to cross any of the witnesses,
2 they would indicate that by the 28th. And the
3 procedural scheduled passed that date really depends
4 on what is filed on the 28th, but I think the
5 parties have agreed that discovery will be
6 relatively straightforward. No one raised any
7 issues outside of what was in the Postal Service's
8 proposal for limitation of issues, which was filed
9 with the original request, and so that's what the
10 parties have agreed.

11 CHAIRMAN BLAIR: Any of the parties wish
12 to respond?

13 MR. VOLNER: Mr. Chairman, if I may be
14 heard just very briefly. What we're trying to
15 accomplish is two things. First, under the rules
16 for functionally equivalent NSAs, and there has been
17 no issue raised that this is not functionally
18 equivalent, so we're treating it that way, the
19 Commission has given itself 120 days to reach a
20 decision if there is a hearing, and 60 days if there
21 is not. And the object of the September 28 date is
22 so that we can all get a very clear understanding of
23 whether there's going to need to be a hearing or
24 not. And as to what sort of hearings will be
25 required, that's going to, obviously, depend, to

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1 some extent on what sort of discovery there is. But
2 we do not anticipate discovery. And quite frankly,
3 if there's a request for a hearing, or notice of a
4 hearing, because I really think it's notice, not
5 motion, that we think goes beyond the issues that
6 are in this case as a result of it being a
7 functionally equivalent, we will file appropriate
8 procedural motions to deal with that.

9 CHAIRMAN BLAIR: Mr. Costich, did you
10 have any response or any comments?

11 MR. COSTICH: Thank you, Mr. Chairman.
12 The OCA has agreed to include in its September 28th
13 notice the issues that it wishes to pursue, and the
14 reasons for that wish.

15 CHAIRMAN BLAIR: Any other parties? I
16 understand there is a Postal Service motion for
17 limitation of issues in this case. Does any
18 participant wish to comment on this orally at this
19 time? If not, the Commission will shortly make a
20 determination on whether to consider this case under
21 the rules applicable to a request for functionally
22 equivalent negotiated service agreements. Mr.
23 Volner commented on that earlier. Does any other
24 participant wish to address that issue at this time,
25 this morning?

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1 Seeing that the parties have agreed to
2 limiting discovery, or closing the discovery on
3 September 10th, and a September 28th deadline, as
4 well, any other issues for the parties to bring
5 forth before the Commission at this time? And does
6 any participant have a procedural matter to raise at
7 this time? Any of the Commissioners have any
8 questions regarding this morning's proceeding?

9 There being nothing, this pre-hearing
10 conference is adjourned. We will be issuing at some
11 point a further procedural schedule after we know
12 more about the likelihood of where the case will be
13 going, but it appears at this point that settlement
14 is not, based on your estimation, is not in the
15 cards at this point.

16 MS. REED: That's correct.

17 CHAIRMAN BLAIR: Okay. Thank you.

18 (Whereupon, the proceedings went off the
19 record at 11:12:38 a.m.)

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CERTIFICATE

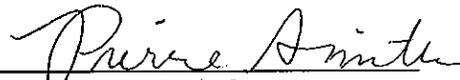
This is to certify that the foregoing transcript
in the matter of: The Bradford Group NSA

Before: Postal Regulatory Commission

Date: August 28, 2007

Place: Washington, DC

represents the full and complete proceedings of the
aforementioned matter, as reported and reduced to
typewriting.


Pierre Smith