

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

**NOTICE OF THE UNITED STATES POSTAL SERVICE OF REVISED  
ATTACHMENT A TO REQUEST CONTAINING PROPOSED DMCS LANGUAGE**

The United States Postal Service hereby provides a revised Attachment A to its Request in this docket. The revision encompasses one change which limits the inclusion of materials promoting Bookspan's strategic alliances in solicitation letters eligible for discounts. This change was made to respond to concerns raised by a participant and discussed at the recent settlement conference.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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NEGOTIATED SERVICE AGREEMENTS  
CLASSIFICATION SCHEDULE

620            BOOKSPAN NEGOTIATED SERVICE AGREEMENT

620.1        Eligible Standard Mail

620.11      Bookspan

Eligible Standard Mail under this section is defined as letter shaped pieces sent by Bookspan for the purpose of soliciting book club membership of persons who are not current subscribers to the book club or clubs Bookspan is promoting in the mailing or to book club members whose membership is expiring. Such pieces may be sent by Bookspan, by entities in which Bookspan holds controlling shares, or by their vendors on their behalf. Such letters may include up to two inserts promoting promotions of Bookspan's strategic business alliances.

620.12      Other Mailers

Funtionally equivalent NSAs, involving declining block rates for Standard Mail letter solicitations for book or analogous club memberships, may be entered into with other customers demonstrating a similar or greater multiplier effect, as specified by the Postal Service, and implemented pursuant to proceedings under Chapter 36 of Title 39, of the United States Code.

620.2        Standard Mail Declining Block Rates

620.21      Volume Commitments

The following volume commitments for otherwise eligible letter-shaped Standard Mail pieces must be met before any discounts under this section are payable:

- a. 94 million for the first year of the agreement;
- b. 95 million for the second year of the agreement, subject to adjustment as specified below; and,
- c. 105 million for the third year of the agreement, subject to adjustment as specified below.

If Bookspan does not mail at least 73 million pieces during the first year of this agreement, it will pay the Postal Service a one-time transaction fee of \$200,000.

620.22      Volume Commitment Adjustment Mechanism

At the end of each year of the agreement other than its final year, the volume commitment for the following year will be adjusted, as follows.

- a.      If, at the end of the year, actual volume is 12 percent or more above that year's volume commitment, the following year's commitment will be revised to be the average of the completed year's actual volume and the original volume commitment for the following year.
  
- b.      If, at the end of the year, actual volume is 5 percent or more below that year's volume commitment, the following year's commitment will be decreased by the percentage difference between the completed year's original volume commitment and its actual volume, but in no case to lower than 90 million.

620.23      Incremental Discounts

Bookspan's eligible Standard Mail is subject to the otherwise applicable Standard Mail postage in Rate Schedule 321A or 321B, less the discounts shown in Rate Schedule 620A for the first year of the agreement, in Rate Schedule 620B for the second year of the agreement, and in Rate Schedule 620C for the third year of the agreement, if Bookspan meets the applicable volume commitments specified in 620.21, or as adjusted in accordance with 620.22. Each incremental discount applies only to the incremental volume within each volume block.

620.24      Volume Block Adjustments for Mergers and Acquisitions:

In the event that Bookspan merges with and/or acquires an entity or entities and/or purchases a portfolio with annual Standard Mail volume in excess of 5 million pieces, the volume blocks will be adjusted to add the volume of Standard Mail sent by the merged or acquired entity during the 12 months preceding the merger, acquisition, or purchase. The adjustment becomes effective for the succeeding fiscal quarter immediately following the date that mail volumes due to the merger, acquisition, or purchase begin to be mailed through the threshold permit accounts.

620.25      Termination

The agreement automatically terminates and eligibility for all discounts under this section ceases if Bookspan's Standard Mail letter solicitation volume exceeds 150,000,000, or if the agreement is terminated by either party with 30 days' written notice to the other party.

620.4      Rates

The rates applicable to this Agreement are set forth in Rate Schedules 620A, 620B, and 620C.

620.5      Expiration

This provision (Section 620) expires 3 years from the implementation date set by the Board of Governors.

620.6      Precedence

To the extent any provision of section 620 is inconsistent with any other provision of the Domestic Mail Classification Schedule, the former shall control.

## **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.

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