

The economic effects of the proposal are described fully in the testimony of Ali Ayub (USPS-T-1). The Postal Service estimates it will benefit by \$49.2 million over the life of the NSA.

To implement the WMB NSA, the Postal Service requests that the Commission recommend the classification and rate schedule changes attached hereto, which propose the addition of Domestic Mail Classification Schedule (DMCS) 630 and Rate Schedules 630A and 630B. Among other provisions, DMCS 630 prescribes the criteria for determining eligibility of WMB's mail for the proposed rate changes, describes the manner and conditions under which discounts would be applicable to WMB volume, and specifies a duration of three years for the NSA. As explained in witness Ayub's testimony, the requested changes would conform to the criteria of 39 U.S.C. §§ 3622(b) and 3623(c).

The NSA provides the foundation for these changes. Among other provisions, the WMB NSA specifies: (1) the key conditions making the NSA possible; (2) volume thresholds pertaining to mail qualifying under the NSA for additional discounts; (3) a solicitation mail volume guarantee; (4) an annual adjustment mechanism; (5) obligations undertaken by WMB to ensure reduction of postal costs associated with handling of returned and forwarded mail; (6) the unconditional right of the Postal Service to terminate with 30 days' notice to WMB; (7) a transaction penalty; and (8) information concerning other issues, such as monitoring, compliance, regulatory review, implementation, withdrawal, public communications, and notices. Pursuant to the Commission's Rules of Practice and Procedure (particularly, 39 C.F.R. §§ 3001.193 and 3001.195), the Postal Service is filing with this Request its prepared direct evidence on which it proposes to rely. Other evidence on which the Postal Service intends to rely is