

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

RATE AND SERVICE CHANGES TO IMPLEMENT  
FUNCTIONALLY EQUIVALENT NEGOTIATED  
SERVICE AGREEMENT WITH BRADFORD GROUP

Docket No. MC2007-4

UNITED STATES POSTAL SERVICE  
PROPOSAL FOR LIMITATION OF ISSUES  
(August 3, 2007)

Pursuant to the procedures and approach embodied in Rule 196(a)(6), 39 C.F.R. § 3001.196(a)(6), the United States Postal Service submits that the issues in this case should be limited to those issues that are unique to the Bradford Group Negotiated Service Agreement. The Postal Service submits that this agreement is functionally equivalent to the Bookspan NSA, the rates and classifications for which were recommended by the Commission and approved by the Governors of the Postal Service in Docket No. MC2005-3.

As the Commission stated in Docket No. RM2003-5, Order 1391 at 48:

[t]he purpose of § 3001.196 is to provide an opportunity to expedite the review of a request for a functionally equivalent Negotiated Service Agreement by allowing the proponents of the agreement to rely on relevant record testimony from a previous docket. This potentially could expedite the proceeding by avoiding the need to relitigate issues that were recently litigated and resolved in a previous docket.

The Commission's rules reflect the relationship between baseline and functionally equivalent NSAs, in which functionally equivalent NSAs extend to qualifying mailers the core elements of baseline agreements that have been previously reviewed, recommended and approved by the Commission and the Governors.

Accordingly, pursuant to Rule 196(a)(3), 39 C.F.R. § 196(a)(3), the Postal Service has listed in its Compliance Statement the testimony from Docket No. MC2005-3, on which it relies, and respectfully submits that there should not be any relitigation of the issues that were decided in that docket. Those issues include the predominantly legal issues of: (1) the finding that cost savings are not required for volume-based discount NSAs; and (2) that the core elements shared by both the Bookspan NSA and the Bradford Group NSA constitute a lawful and appropriate basis for an NSA, including the finding, in accordance with record evidence supporting the Bookspan NSA, that the net cost and revenue effect of the elements could benefit the Postal Service, the NSA partner, and all other mailers.

For these reasons, the Postal Service submits that the key issues to be addressed in the instant proceeding properly include: (1) the financial impact of the NSA on the Postal Service over the duration of the agreement; and (2) the fairness and equity of the NSA in regard to other users of the mail. The Postal Service further submits that, pursuant to Rule 196(a), the status of the Bradford Group NSA as a functionally equivalent NSA should result in an expeditious and uncomplicated review. To give effect to Rule 196(a), the issues in this proceeding should be limited to those unique questions presented by the Bradford Group NSA.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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