

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 INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE  
REDIRECTED FROM WITNESS YORGEY  
(OCA/USPS-T2-12b)**

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 5, 2005, and redirected from witness Yorgey: OCA/USPS-T2-12b.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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August 19, 2005

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

OCA/USPS-T2-12.

- a. Please explain how it is to the advantage of the Postal Service to have asymmetric threshold adjustments, i.e., if actual volumes are **12** percent or more above that year's commitment, then the next year's volume commitment will be an **average** of the current year and original volume commitment; but if volume is **5** percent or more below that year's commitment, then the next year's volume commitment is decreased by the **full** percentage difference between the actual volume and the original commitment.
- b. Please confirm that these adjustments are skewed strongly in favor of Bookspan. If you do not confirm, then please explain.

RESPONSE:

- a. Answered by witness Yorgey
- b. Not confirmed. The asymmetry of the adjustment mechanisms should not be considered in isolation, and therefore conclusions regarding the degree to which asymmetry favors one side versus the other are erroneous. As with any component of this or any other NSA contract, it should be considered as part of a greater whole. The entire contract represents a balancing of interests based on the outcome of lengthy discussions. Attempting to apply granular analysis of a particular contract term without regard to the greater context in which it is placed is unlikely to yield useful insights.

## **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

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