

Accepted 10/26/2007

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

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

DOCKET NO. MC2007-4

DECLARATION OF STEVE GUSTAFSON

(October 23, 2007)

1. I am Steve Gustafson, a witness for the BRADFORD GROUP in this proceeding. I make this Declaration in connection with a specific work paper (the "Work Paper") that has been requested in an Interrogatory issued by the Office of Consumer Advocate ("OCA") to the United States Postal Service ("Postal Service"). I have reviewed the Work Paper. I recognize that the information contained in the Work Paper may be useful to both the OCA and the Commission in verifying certain information that the Postal Service has presented in support of the Negotiated Service Agreement. I have, therefore, no objection to the Postal Service submitting the Work Paper but request that it do so only in accordance with protective confidentiality conditions established by the Commission. This Declaration explains why the information set forth in that Work Paper -- which shows volumes by level of pre-sort, drop-entry and other characteristics -- should be treated as commercially sensitive.

2. THE BRADFORD GROUP is a privately held company. We do not, therefore, disclose financial information, details of mail volume, or other details of our business methods. In my colleague Wendy Ring's testimony, she points out that we face formidable competition from a variety of sources including several large discount chains. Ms. Ring further observed that one of the key elements of our success is our ability to manage operational costs and achieve economies of scale. *See* BG-T-2 at 2. We do not share our managerial or business processes with others.

3. In presenting our testimony and responding to interrogatories in this case, we have presented as much information as we can without protective conditions, including our volumes and volume forecasts. We have done this despite the fact that some of this information – specifically our volumes and volume forecasts – would not normally be known to our competitors. However, the level of detail about our mailing volumes that would be revealed by the Work Paper called for by the OCA's interrogatory goes beyond aggregate annual volume forecasts. If made public, our competitors would be given considerable insight into exactly how we use the mail, how we manage our operational costs and how we are able to achieve economies of scale.

4. Essentially, the information that would be set forth in the Work Paper replicates information that would be contained in the postal services mailing statements (Form 3602). Even though the information in the Work Paper will be less detailed and partially aggregated, it will nonetheless provide our competitors with an insight into our business methods that they do not now have, especially when put together with information that is publicly available and the information that we have made public in this case. I am informed by counsel that the Postal Service has long held to the view that

mailing statements are competitively sensitive and will not be released under the Freedom of Information Act. We believe that similar considerations should apply to the data which is at issue here and that we and the Postal Service should be allowed to submit the Work Paper subject to protective conditions.



Steve Gustafson

Sworn Before me this 25th Day of October


"OFFICIAL SEAL"
JUDY ARKIN
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 04-04-2011