

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Rate and Service Changes to Implement
Baseline Negotiated Service Agreement
With Washington Mutual Bank

Docket No. MC2006-3

PRESIDING OFFICER'S INFORMATION REQUEST NO. 2

(Issued July 18, 2006)

The co-proponents of the Washington Mutual Bank Negotiated Service Agreement are requested to provide the information described below to assist in developing a record for the consideration of the Postal Service's request for a recommended decision on proposed rates, fees and classifications. To facilitate inclusion of the required material in the evidentiary record, the co-proponents are to have witnesses attest to the accuracy of the answers and be prepared to explain to the extent necessary the basis for the answers. The answers are to be provided by July 27, 2006.

1. On May 15, 2006, the co-proponents filed Joint Motion of the United States Postal Service and Washington Mutual Bank for Temporary Suspension of Proceedings. The co-proponents requested additional time to consider the impact of two recently issued Commission opinions on the Washington Mutual Bank Negotiated Service Agreement request: Opinion and Further Recommended Decision in Docket No. MC2004-3 issued April 21, 2006 (Bank One Opinion), and Opinion and Recommended Decision in Docket No. MC2005-3 issued May 10, 2006 (Bookspan Opinion). They further requested time to incorporate recently identified corrections related to historical volumes into their presentations.

The Presiding Officer effectively granted the motion to temporarily suspend the proceeding in Presiding Officer's Ruling No. MC2006-3/2, filed May 15, 2006. Subsequently, the Postal Service filed revisions to the Request, Attachments A and B to the Request, and Appendix A to witness Ayub's testimony on June 7, 2006, and a supplement to witness Ayub's testimony on June 8, 2008. Washington Mutual Bank filed revisions to witness Rapaport's testimony, as errata, on June 8, 2006. With the filing of these documents, the suspension of the procedural schedule was effectively lifted.

The modifications to the co-proponent's presentations related to revisions in historical volume estimates appear self-evident. However, given that the suspension of the proceeding was in part granted to consider the impact of the recently issued Bank One and Bookspan Opinions on the Washington Mutual Bank Negotiated Service Agreement Request, it is not clear how the co-proponents have considered the recently issued opinions and incorporated these considerations into their Request.

- a. Have the co-proponents considered the impact of the recently issued Bank One and Bookspan Opinions on the Washington Mutual Bank Negotiated Service Agreement Request?
- b. What concerns and issues expressed by the Commission in the Bank One and Bookspan Opinions, including but not limited to the application of the Alternative Model for Negotiating Volume Discounts, have the co-proponents considered?
- c. Of the issues considered in 1(b) above, what were the results of any analysis performed, and what were the conclusions drawn from the analysis?

- d. What modifications have the co-proponents proposed to be made to the Washington Mutual Bank Negotiated Service Agreement Request after consideration of the analysis performed and conclusions drawn as referenced in 1(c) above?

George Omas
Presiding Officer