Postal Rate Commission
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BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268–0001

| | |
|---|---|
| RATE AND SERVICE CHANGES TO IMPLEMENT FUNCTIONALLY EQUIVALENT NEGOTIATED SERVICE AGREEMENT WITH HSBC NORTH AMERICA HOLDINGS INC. | Docket No. MC2005-2 |

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS DAUER TO ITEMS 2-3, 5-7, AND 9-10 OF PRESIDING OFFICER'S INFORMATION REQUEST NO. 1
(March 22. 2005)

The United States Postal Service hereby provides the responses of witness Dauer to the following items of Presiding Officer's Information Request No. 1, filed on March 10, 2005: Items 2-3, 5-7, and 9-10. HSBC is providing responses to items 1, 4, and 8.

Each item is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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March 22, 2005

**Response of Postal Service Witness Dauer to Presiding Officer's Information Request No. 1**

2. Witness Dauer proposes a data collection plan based on the Capital One data collection plan. USPS-T-1 Appendix C. The proposed plan omits the collection of data on volume of HSBC Standard Mail solicitations by rate category as was required by the Capital One data collection plan. It also omits a Commission requirement to provide a comparison of the estimated mailer-specific costs, volumes, and revenues with the actual mailer-specific costs, volumes, and revenues. See rule 193(g). Finally, it does not impose a deadline on the periodic submission of reports. See, e.g., PRC Op. MC2004-3 at 85 fn. 49. The addition of the following three statements to the HSBC data collection plan, appropriately placed, would correct for these deficiencies:

> "Volume of HSBC Standard Mail solicitations by rate category."
>
> "A comparison of the estimated mailer-specific costs, volumes, and revenues with the actual mailer-specific costs, volumes, and revenues."
>
> "Each report is to be provided within 120 days after the end of each fiscal year during which the Negotiated Service Agreement is in effect. Items 1, 2, 4 through 7, and 11 are to be reported as monthly data for the previous fiscal year."

Similar changes were incorporated into the Bank One data collection plan. See PRC Op. MC2004-3 at 83-5. Is there any objection (and if so please elaborate) to incorporating the above items into the HSBC data collection plan?

**RESPONSE:**

The Postal Service would not object to incorporating the above items into the HSBC data collection plan.

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3. The Postal Service Request Attachment E-18 identifies the record testimony from the baseline agreement docket, or any previously concluded docket, on which the Postal Service proposes to rely. In Docket Nos. MC2004-3 and MC2004-4, the equivalent attachments referenced Library References from Docket No. R2001-1, specifically: USPS-LR-J-58, J-60 (as revised 11/15/2001), and J-69 (as revised 11/5/2001), and PRC-LR-2, 4, and 7. Does the Postal Service intend to rely on these same Library References in the HSBC docket?

   Note: The PRC Library References technically are not "record evidence." However, the Commission found it helpful when the Postal Service included these items in previous dockets under this data requirement item. It is beneficial to have all sources listed in one place. Also, this provides potential intervenors with a single, concise list of materials from previous dockets to be considered in making an intervention decision in the instant docket. (This more inclusive interpretation of rule 196(a)(3) is suitable for comment in ongoing rulemaking Docket No. RM2005-2.)

**RESPONSE:**

The Postal Service intended to rely on the same materials (including the Library References identified in the question) in this docket as in Docket Nos. MC2004-3 and MC2004-4, and the omission of those Library References from Attachment E was inadvertent.

## Response of Postal Service Witness Dauer to Presiding Officer's Information Request No. 1

5. For the following question refer to the two attached tables (MC2002-2, Attachment A, page 2 and MC2005-2, Appendix A, page 5).

In the baseline Negotiated Service Agreement (Docket No. MC2002-2), the calculation of estimated unit costs by rate category is presented in USPS-T-3, Attachment A, page 2. The "TY 2003 Total Unit Cost" in column 14 is the sum of Mail Processing, Delivery and "Other" unit costs. Mail Processing and Delivery costs are taken directly from PRC library references from the most recent omnibus rate case (Docket No. R2001-1), and the remaining "Other" unit costs are calculated by subtracting the weighted average unit costs of mail processing (column 11) and delivery (column 12) from the total unit "TY 2003 Total Unit Cost" in column 10. This ensures that the two "TY 2003 Total Unit Costs" (columns 10 and 14) are equal. Because the total unit cost in column 10 is the cost for presorted mail in the First-Class Mail Letters subclass (all shapes), the weighted average costs used in the calculation of "Other Unit Cost" include the costs of automation presort flats.

In the two subsequent Negotiated Service Agreements, the unit costs for each rate category from the baseline case were adopted. (See MC2004-3, USPS-T-1, Appendix A at 4-5 and MC2004-4, USPS-T-1, Appendix A at 4-5.)

In the current proposal, the weighted average mail processing and delivery costs are recalculated to reflect only the letter-shaped rate categories. Then, the new weighted average mail processing and delivery costs are subtracted from the total unit cost of presorted mail in the First-Class Letters subclass (all shapes). Consequently, the "Other" costs are calculated as the difference between the total cost of all shapes and the mail processing and delivery costs of letter-shaped pieces. (See USPS-T-1, Appendix A at 5-6.)

Please explain the rationale for the change in the "TYBR 2003 Other Unit Cost" from the baseline and prior functionally equivalent Negotiated Service Agreements.

**RESPONSE:**

There was no rationale for the change in the "TYBR 2003 Other Unit Cost" from the baseline and prior functionally equivalent Negotiated Service Agreements to the HSBC NSA model. The .021 figure was inadvertently pulled from a preliminary version of an earlier model, in which that figure was later corrected to .018 prior to filing. Appropriate revisions to Appendix A to my testimony are being filed separately.

# Response of Postal Service Witness Dauer to Presiding Officer's Information Request No. 1

MC2002-2, Attachment A, page 2

CAPITAL ONE FIRST-CLASS MAIL PRESORT LETTERS/FLATS UNIT COST ESTIMATES

| | | |
|---|---|---|
| Capital One Solicitation Return Percentage = | 9.6% | (1) |
| Capital One Statement Return Percentage = | 1.2% | (2) |
| Average Presort Letters Return Percentage = | 1.23% | (3) |
| Before Rates Customer Mail Volume = | 640,000,000 | (4) |
| Before Rates Solicitation Maill Volume = | 768,000,000 | (5) |
| Manual Returns Unit Cost = | $0.535 | (6) |
| Electronic Returns Unit Cost = | $0.332 | (7) |
| Address Change Service (ACS) Success Rate = | 85.0% | (8) |
| Contingency Factor = | 1.030 | (9) |

| | (10) | (11) | (12) | (13) | (14) | (15) | (16) | (17) | (18) | (19) | (20) | (21) | (22) | (23) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | DOCKET NO. R2001-1 PRC FIGURES - NATIONWIDE MAIL MIX | | | | | | | DOCKET NO. R2001-1 PRC FIGURES - CAPITAL ONE MAIL MIX | | | | | | |
| Rate Category | TY 2003 Total Unit Cost (Dollars) | TY 2003 Mail Proc Unit Cost (Dollars) | TY 2003 Delivery Unit Cost (Dollars) | TY 2003 Other Unit Cost (Dollars) | TY 2003 Total Unit Cost (Dollars) | FY 2001 Mail Volume (Pieces) | FY 2001 Mail Volume (Percent) | TY 2003 Total Unit Cost (Dollars) | FY 2001 Mail Volume (Pieces) | FY 2001 Mail Volume (Percent) | Current Returns Adjustment Unit Cost (Dollars) | Current w/Rets Adj Total Unit Cost (Dollars) | After Rates Returns Adjustment Unit Cost (Dollars) | After Rates w/Rets Adj Total Unit Cost (Dollars) |
| **FIRST-CLASS MAIL LETTERS** | | | | | | | | | | | | | | |
| **Nonautomation Presort Letters** | | $0.163 | $0.063 | $0.018 | $0.244 | 3,702,479,000 | 7.84% | $0.244 | 57,664,168 | **5.01%** | | | | |
| **Automation Presort Letters** | | | | | | | | | | | | | | |
| Automation Mixed AADC | | $0.055 | $0.045 | $0.018 | $0.118 | 2,634,662,000 | 5.58% | $0.118 | 58,754,928 | **5.10%** | | | | |
| Automation AADC | | $0.046 | $0.044 | $0.018 | $0.107 | 2,820,125,000 | 5.97% | $0.107 | 62,890,886 | **5.46%** | | | | |
| Automation 3-Digit | | $0.042 | $0.043 | $0.018 | $0.104 | 22,474,263,000 | 47.60% | $0.104 | 538,406,052 | **46.78%** | | | | |
| Automation 5-Digit | | $0.032 | $0.041 | $0.018 | $0.091 | 14,038,959,000 | 29.73% | $0.091 | 369,430,336 | **32.10%** | | | | |
| Automation Carrier Route | | $0.021 | $0.064 | $0.018 | $0.103 | 1,020,856,000 | 2.16% | $0.103 | 63,511,973 | **5.52%** | | | | |
| **Automation Presort Flats** | | | | | | | | | | | | | | |
| Automation Mixed ADC | | $0.448 | $0.095 | $0.018 | $0.562 | 52,631,000 | 0.11% | $0.562 | 31,247 | **0.00%** | | | | |
| Automation ADC | | $0.348 | $0.095 | $0.018 | $0.461 | 28,190,000 | 0.06% | $0.461 | 16,737 | **0.00%** | | | | |
| Automation 3-Digit | | $0.348 | $0.095 | $0.018 | $0.461 | 187,788,000 | 0.40% | $0.461 | 318,683 | **0.03%** | | | | |
| Automation 5-Digit | | $0.235 | $0.095 | $0.018 | $0.348 | 254,253,000 | 0.54% | $0.348 | 5,376 | **0.00%** | | | | |
| **WEIGHTED AVERAGE / TOTAL** | **$0.115** | **$0.052** | **$0.045** | **$0.018** | **$0.115** | **47,214,206,000** | **100.00%** | **$0.108** | **1,151,030,386** | **100.00%** | **$0.0243** | **$0.1320** | **$0.0153** | **$0.1229** |
| | | | | | | | | | | | **Total Unit Cost Estimates, Including Contingency =** | **$0.1359** Current (24) | | **$0.1266** After Rates (25) |

**(1) Capital One witness Jean**
**(2) Capital One witness Jean**
**(3) USPS-LR-J-69 (FCM UAA % from Table 4.2 allocated by Return to Sender % from Table 4.3.3)**
**(4) COS-T-2, Exhibit 6**
**(5) COS-T-2, Exhibit 6**
**(6) "MANUAL RETURNS UNIT COST" Spreadsheet**
**(7) "ELECTRONIC RETURNS UNIT COST" Spreadsheet**
**(8) USPS witness Wilson**
**(9) Docket No. R2001-1**
**(10) Docket No. R2001-1, PRC LR-2, Volume 4, "TYBR", page 3**
**(11) Letters: Docket No. R2001-1, PRC LR-4, "FCLETPRCFA.XLS", page 1**
**Flats: Docket No. R2001-1, PRC LR-4, "FCFLATSPRCFA.XLS", page 1**
**(12) Docket No. R2001-1, PRC LR-7, Page 2**
**(13) (10) - Weighted Average(11) - Weighted Average(12)**
**(14) (11) + (12) + (13)**
**(15) FY 2001 Billing Determinants**
**(16) (15) / [Sum (15)]**
**(17) Line Item (14), Total - Allocated by (19)**
**(18) Attachment A, Page 1**
**(19) (18) / [Sum (18)]**
**(20) (6) * [ (4) * [ (2) - (3) ] + (5) * [ (1) - (3) ] ] / [ (4) + (5) ]**
**(21) Sum (17) + (20)**
**(22) [ [ (8) * (7) + [ 1 - (8) ] * (6) ] * [ (5) * [ (1) - (3) ] ] + (6) * (4) * [ (2) - (3) ] ] / [ (4) + (5) ] - (3) * ((6) -(7)) * (8) * (5) / ((4) + (5))**
**(23) Sum (17) + (22)**
**(24) (21) * (9)**
**(25) (23) * (9)**

# Response of Postal Service Witness Dauer to Presiding Officer's Information Request No. 1

MC2005-2, Appendix A, page 5

**HSBC North America Holdings Inc. Model**
**Negotiated Service Agreement**
**Appendix A, page 5**

| | DOCKET NO. R2001-1 PRC FIGURES - NATIONWIDE MAIL MIX | | | | | | | | | HSBC MAIL MIX | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) |
| Rate Category | TYBR 2003 Total Unit Cost (Dollars) | TYBR 2003 Mail Proc Unit Cost (Dollars) | TYBR 2003 Delivery Unit Cost (Dollars) | TYBR 2003 Other Unit Cost (Dollars) | TYBR 2003 Total Unit Cost (Dollars) | FY 2005 Total Unit Cost Dollars | BY 2000 Mail Volume (Pieces) | FY 2003 Mail Volume (Pieces) | FY 2003 Mail Volume (Percent) | TY 2005 Total Unit Cost (Dollars) | FY 2004 Mail Volume (Pieces) | FY 2004 Mail Volume (Percent) | Current Returns Adjustment Unit Cost (Dollars) | Current w/Rets Adj Total Unit Cost (Dollars) | After Rates Returns Adjustment Unit Cost (Dollars) | After Rates w/Rets Adj Total Unit Cost (Dollars) |
| FIRST-CLASS MAIL LETTERS | | | | | | | | | | | | | | | | |
| Nonautomation Presort Letters | | 0.163 | 0.063 | 0.021 | 0.247 | 0.267 | 3,748,977,000 | 2,673,332,468 | 5.8% | 0.267 | 9,805,861 | 2.2% | | | | |
| Automation Presort Letters | | | | | | | | | | | | | | | | |
| Automation Mixed AADC | | 0.055 | 0.045 | 0.021 | 0.121 | 0.130 | 2,504,846,824 | 2,820,696,002 | 6.1% | 0.130 | 31,387,770 | 7.1% | | | | |
| Automation AADC | | 0.046 | 0.044 | 0.021 | 0.110 | 0.119 | 2,680,656,176 | 2,636,650,800 | 5.7% | 0.119 | 41,768,164 | 9.5% | | | | |
| Automation 3-Digit | | 0.042 | 0.043 | 0.021 | 0.106 | 0.115 | 21,832,339,000 | 22,571,247,888 | 48.6% | 0.115 | 264,042,110 | 60.1% | | | | |
| Automation 5-Digit | | 0.032 | 0.041 | 0.021 | 0.093 | 0.101 | 12,720,447,000 | 14,911,024,110 | 32.1% | 0.101 | 78,242,286 | 17.8% | | | | |
| Automation Carrier Route | | 0.021 | 0.064 | 0.021 | 0.105 | 0.114 | 1,075,333,000 | 802,292,628 | 1.7% | 0.114 | 14,351,645 | 3.3% | | | | |
| **WEIGHTED AVERAGE / TOTAL** | **$0.115** | **0.050** | **0.045** | **0.021** | **0.111** | **0.120** | **44,562,599,000** | **46,415,243,896** | **100.0%** | **0.117** | **439,597,836** | **100.0%** | **$ (0.0055)** | **0.112** | **$ (0.0055)** | **0.112** |
| | | | | | | | | | | | | | | (17) | | (18) |
| | | | | | | | | | | **Total Unit Cost Estimates, Including Contingency =** | | | | **0.115** | | **0.115** |

(1) Docket No. R2001-1, PRC LR-2, Volume 4, "TYBR", page 3
(2) Docket No. R2001-1, PRC LR-4, "FCLETPRCFA.XLS", page 1
(3) Docket No. R2001-1, PRC LR-7, Page 2
(4) (1) - Weighted Average(2) - Weighted Average(3)
(5) (2) + (3) + (4)
(6) (5) * (1 + inflation cost adjustment factor) * (1 + inflation cost adjustment factor)
(7) Docket No. R2001, PRC, LR-4, FCM base year volumes from FCM letter model.
(8) Revenue, Pieces, and Weight (RPW) Report.
(9) (8) / [Sum (8)]
(10) Line Item (6), Weighted Average weighted by percentages in (12).
(11) CBCIS 2004 HSBC Volume Data
(12) (11) / [Sum (11)]
(13) (Manual Letter Returns Unit Cost * After Rates Statement Mail) * (Statement Mail Return Forecast - USPS FCM Avg. Return Rate) / After Rates Statement Mail
(14) (10) + (13)
(15) (Manual Letter Returns Unit Cost * After Rates Statement Mail) * (Statement Mail Return Forecast - USPS FCM Avg. Return Rate) / After Rates Statement Mail
(16) (10) + (15)
(17) (14) * Contingency Factor (Assumptions)
(18) (16) * Contingency Factor (Assumptions)

6. USPS-T-1 states at page 13:

> The Postal Service evaluated the proposed cap using Commission's logic of the Docket MC2004-4 to establish its position while in negotiations with HSBC. The Postal Service used a 100 percent pass through of the ACS cost savings of $8.1 million plus the competitive adjustment given in Docket MC2004-04 of 10.09 percent. This equals $8.9 million ($8.1 million + $.8 million).

(a) Please refer to the following table. Following the Commission's methodology for calculating the value of the stop-loss cap used in Docket No. MC2004-4 (at 100 percent pass through) and then increasing this value by 10.09 percent, please verify that the calculated cap would equal $8.727 million. See PRC Op. MC2004-4 at 38, Table 6.

(b) Please verify that the Postal Service then adds an additional [($9 million / $8.9 million) – 1] or 1.12 percent to its calculated value, which when similarly added to the calculated value above would result in a final stop-loss cap value of $8.825 million.

**RESPONSE:**

For purposes of preparing for negotiation of the stop-loss cap provision, I used in my calculations the same contingency factor (1.03) that was applied to all other cost calculations in my models. The result of including the contingency factor was the $8.1 million estimate of ACS costs savings referenced in my testimony, as noted above. In contrast, the stop-loss calculation shown on the attached page does not include the contingency, and the resulting ACS cost savings estimate at breakeven volumes is $7.9 million. The only difference is the inclusion or exclusion of the contingency factor. To keep the stop-loss cap analysis comparable to the other financial analyses on which the NSA is based, I believe it necessary to include the contingency factor, although I can verify that if the contingency were to be omitted, the ACS cost savings estimate would be $7.9 million, as shown on the attached page. In any event, however, viewed in conjunction with the allowance made in the Discover NSA case with respect to a negotiated cap above the estimated ACS savings amount, I consider a negotiated cap of $9 million for this case to be equally reasonable whether the estimated ACS savings at breakeven volumes is $7.9 million, or $8.1 million. The cap amount was negotiated between the parties, not reached by application of a rigid formula, as perhaps implied in the question. The calculations set forth in the above-quoted portion of my testimony were used for purposes of evaluating the reasonableness of the negotiated cap.

# Response of Postal Service Witness Dauer to Presiding Officer's Information Request No. 1

## Table 1. Calculation of Stop-Loss Cap

| | Year 1 | Year 2 | Year 3 | Total NSA |
|---|---|---|---|---|
| **A. Effects of ACS (Savings Estimate)** | | | | |
| **First-Class Mail Marketing Letters:** | | | | |
| Avg. Savings from Returns | 0.0088 | 0.0092 | 0.0096 | |
| Avg. Savings (Cost) from Forwards | 0.0000 | 0.0000 | 0.0000 | |
| Total Avg. Savings from ACS | 0.0088 | 0.0092 | 0.0096 | |
| Before Rates Volume | 195,735,891 | 297,522,231 | 361,504,700 | |
| **Net Contribution Gain from ACS (Savings)** | **1,731,501** | **2,737,190** | **3,458,859** | **7,927,549** |
| **B. Effects of Lost Contribution (Revenue Leakage)** | | | | |
| Before Rates First-Class Volume | 678,757,162 | 815,929,752 | 917,974,638 | |
| Volume Threshold for Discounts | 615,000,000 | 725,000,000 | 810,000,000 | |
| Before Rates Volume Eligible for Discounts | 63,757,162 | 90,929,752 | 107,974,638 | |
| Average Discount on "Exposed" Volume | 0.0272 | 0.0301 | 0.0320 | |
| **Total Discounts on Before Rates Volume (Leakage)** | **(1,731,501)** | **(2,737,190)** | **(3,458,859)** | **(7,927,549)** |
| **Net Increase in Contribution (before rates volume)** | **-** | **-** | **-** | **-** |
| Savings from ACS at Break-Even Volume | 7,927,549 /1 | | | |
| Pass-through Percentage | 100% | | | |
| **Stop-Loss Cap Amount** | **7,927,549** | | | |
| Ratio of DFS "Competitive Cap" to PRC Cap | 1.1009 | | | |
| Cap with "Competitive Adjustment" | 8,727,439 | | | |
| Percentage increase to round up to $9 million | 1.12% | | | |
| Cap with "Competitive Adjustment" and rounding effect | 8,825,187 | | | |

1/ This figure reflects the methodology employed by the Commission in Docket Nos. MC2004-3 and MC2004-4.

**Response of Postal Service Witness Dauer to Presiding Officer's Information Request No. 1**

7. In Docket Nos. MC2004-3 and MC2004-4, the Postal Service's estimates of cost savings from the avoidance of physical returns were modified by the application of a contingency factor to the estimated total savings in each year of the agreement. In contrast, witness Dauer applies the contingency factor to the costs of physical and electronic returns (i.e., at the beginning of the calculation, instead of the end). Please explain the rationale for this change in methodology. Include a discussion of the impact on the estimated before and after rates unit costs of HSBC's solicitations and operational First-Class Mail. Specifically, address the implications of using the contingency adjusted costs of physical and electronic returns in the calculation of cost estimates that are themselves adjusted by the contingency factor.

**RESPONSE:**

Because of corrections filed on the same day as this question to the model in Appendix A of my testimony, I believe that the circumstances described in this question have been resolved and are no longer applicable.

9. Please refer to USPS-T-1 at 13-17 and Docket No. MC2002-2, Tr. 2/334. Witness Dauer accepts the forecasts of before-rates volume, after-rates volume and estimated return rates provided by HSBC witness Harvey (HSBC-T-1) and characterizes the after-rates volume estimates as conservative. Please provide any independent analysis done by the Postal Service to evaluate the reasonableness of the mailer-provided forecasts of: (a) before-rates volumes, (b) after-rates volumes, and (c) estimated return rates.

**RESPONSE:**

The Postal Service currently reviews industry and analysis reports to determine if the company's forecasts are consistent with available data about its forecasts and trends. The Postal Service currently does not do any independent volume or return rate analysis to compare against the mailer-provided forecasts. I regard Mr. Harvey's estimates of the after-rates effects of the discounts as "conservative" in light of the potential range of effects discussed in the testimony of witness Buc (BOC-T-2) in the Bank One case (Docket No. MC2004-3).

10. Please Refer to Docket No. MC2002-2, Opinion para. 3050-51, and Tr. 9/1868 and 1876. In that case, the Postal Service indicated that it was reviewing possible pricing approaches to physical return of mail and electronic equivalents to consider alternative ways to address the apparent pricing anomaly with respect to the return of undeliverable-as-addressed First-Class Mail. Please update the Commission on the status of this review and how it affected the Postal Service's decision to enter into the proposed agreement with HSBC.

**RESPONSE:**

The Postal Service remains committed to re-pricing the ACS services currently offered in a manner which better reflects the value of the service to customers and the costs of providing ACS across different classes of mail. To address any anomalies in the pricing of the ACS service, the Postal Service would need to confront specific classification and cost issues that would typically be addressed in an omnibus rate case. Published reports, however, have indicated the postal management is considering a rate filing that would not necessarily address the full range of issues typically addressed in an omnibus rate filing. If that is the case, the next rate filing may not be conducive to resolution of the types of issues referred to in this question, and those issues may not be addressed until a subsequent omnibus rate case.

It should be noted, however, that even with revised pricing, the possibility remains that certain mailers would not adopt ACS. The existing NSAs require mailers to exceed current Postal Service requirements regarding mail preparation. The Postal Service may require ACS participation for First-Class solicitation mailers as a requirement towards future NSAs. On balance, however, the Postal Service concluded that none of these matters posed sufficient reasons to decline to proceed now with an NSA for HSBC that was functionally equivalent to those currently existing for three similar mailers.

## CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

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