

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

POSTAL RATE AND FEE CHANGES, 2005)

Docket No. R2005-1

**COMMENTS OF
VALPAK DIRECT MARKETING SYSTEMS, INC. AND
VALPAK DEALERS' ASSOCIATION, INC.
WITH RESPECT TO PROPOSED DISCOVERY COMPLETION DATE
(May 12, 2005)**

Pursuant to the Presiding Officer's request at the Prehearing Conference herein on May 5, 2005, Valpak Direct Marketing Systems, Inc., and Valpak Dealers' Association, Inc. (hereafter "Valpak") submit the following comments with respect to a proposed date for the completion of discovery against the Postal Service in this proceeding.

Originally, the Postal Service requested a discovery cutoff date of May 27, 2005, but at the Prehearing Conference, the Postal Service indicated that it had not intended so short a period, and that a discovery deadline of June 10, 2005, would be acceptable. In its filing on May 2, 2005, Valpak requested a slightly longer period of time — the latter half of June 2005.

In its Request for a Recommended Decision, the Postal Service is advocating the adoption of rates that are not expressly cost-based, which departs from the normal approach in rate cases before the Commission. This approach seems to make it more difficult to track costs. Furthermore, certain of the issues mentioned by Valpak at the Prehearing Conference, such as whether ECR coverage proposed by the Postal Service even would be legal and whether the Postal Service's proposal with respect to Nonprofit ECR mail rates would be legal, will require further discovery, as well as the Postal Service's new mail processing and city carrier costing methodologies. Settlement cannot be assumed in any case, and the schedule

should permit the complete and orderly development of the record in the event that the case is not settled. Accordingly, Valpak suggests that the deadline for propounding discovery be set for June 24, 2005, with additional time, if necessary, for follow-up discovery thereafter.

Respectfully submitted,

William J. Olson
John S. Miles
Jeremiah L. Morgan
WILLIAM J. OLSON, P.C.
8180 Greensboro Drive, Suite 1070
McLean, Virginia 22102-3860
(703) 356-5070

Counsel for:
Valpak Direct Marketing Systems, Inc. and
Valpak Dealers' Association, Inc.

May 12, 2005