

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

POSTAL RATE AND FEE CHANGES  
PURSUANT TO PUBLIC LAW 108-18

Docket No. R2005-1

REPLY OF THE UNITED STATES POSTAL SERVICE  
TO VALPAK MOTION SEEKING AN EXTENTION OF TIME  
TO FILE DIRECT TESTIMONY  
(July 11, 2005)

The United States Postal Service hereby files its reply to the July 6, 2005, motion of Valpak which seeks an extension of the deadline for filing of intervenor testimony.

Any delay in the issuance of a recommended decision in this docket occasioned by an extension of the litigation schedule could have an impact on the Postal Service's ability to implement in January 2006 any rates changes recommended by the Commission. Such delay has the potential to diminish the Postal Service's ability to mitigate the negative financial impact of not implementing those rate changes at the very beginning of Fiscal Year 2006. Accordingly, the Postal Service has given very careful consideration to the motion filed by Valpak on July 6<sup>th</sup>.

Valpak cites several grounds in support of its motion. Most compelling among them are the matter of certain disputed discovery requests, the status of which was recently resolved in Presiding Officer's Ruling No. R2005-1/47 (July 8, 2005). The Postal Service is working diligently to provide responses as quickly as possible. The Postal Service also accords some weight to Valpak's concerns about its New York analyst's limited opportunity under the current schedule to review the most recent hearing transcripts. As an additional basis for its extension request, Valpak cites instances in which the Postal Service filed late responses to various Valpak

interrogatories. However, Valpak's motion offers no explanation of how any delay in responses filed between 10 days ago and two months ago has had any material impact on the preparation of Valpak's case-in-chief. Nor does Valpak address the extent to which delays in the filing of interrogatory answers may have resulted from Valpak's practice of insisting that the Postal Service's rate design witness shoulder the burden of identifying the appropriate costing witnesses to whom dozens of technical and arcane costing interrogatories should initially have been directed by Valpak.

Nevertheless, in the spirit of ensuring that Valpak has the fairest opportunity to be heard on the record, the Postal Service expresses no position on the Valpak motion. The Postal Service recognizes that the substance of Valpak's testimony may require parties, itself included, to seek further adjustments in the procedural schedule. Still, the Postal Service is hopeful that any adverse impact on the remainder of the schedule occasioned by an affirmative ruling in response to Valpak's motion can be minimized by the parties' good faith efforts and willingness to sacrifice in order to otherwise keep the case on schedule.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

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Michael T. Tidwell  
Attorney

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2998; Fax -5402  
[michael.t.tidwell@usps.gov](mailto:michael.t.tidwell@usps.gov)  
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