

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

RATE AND SERVICE CHANGES TO IMPLEMENT  
BASELINE NEGOTIATED SERVICE AGREEMENT  
WITH WASHINGTON MUTUAL BANK

Docket No. MC2006-3

UNITED STATES POSTAL SERVICE  
PROPOSAL FOR LIMITATION OF ISSUES  
(March 29, 2006)

The United States Postal Service hereby proposes that the scope of the proceeding be limited to those issues that are unique to the Washington Mutual Bank ("WMB") Negotiated Service Agreement. Even though the request is filed as a new baseline agreement, the Postal Service submits that it implicates many issues which are now well-established, and thus need not be re-litigated. Those issues which have been established in prior dockets include, *inter alia*, the predominantly legal issues of (1) whether NSAs are consistent with the statutory scheme of the Postal Reorganization Act and, in particular, 39 U.S.C. § 403(c), which prohibits undue preferences; (2) the finding that an open "niche" classification should not be preferred over an NSA in general; (3) the finding that the provision of incentives to high-cost mailers to discontinue high cost behavior should not, in the abstract, disqualify a proposed NSA; (4) the utility of declining block rates; and (6) the appropriateness of the general methodology used in Docket No. MC2002-2, to calculate the benefits to the Postal Service.

The Postal Service submits that the key issues to be addressed in the instant proceeding properly include: (1) whether the financial impact of the NSA on the Postal Service over the duration of the agreement; (2) the fairness and equity of the NSA in regard to other users of the mail, and (3) the fairness and equity of the NSA in regard to competitors of the parties to the Negotiated Service Agreement.

Accordingly, the Postal Service requests that the Commission issue an order to the effect that the scope of discovery in this docket will be confined to the above issues.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno  
Chief Counsel, Customer Programs

---

William J. Trumpbour

---

Sheela A. Portonovo

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1135  
(202) 268-3928; Fax -5418  
March 29, 2005