

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

OFFICE OF THE CONSUMER ADVOCATE
FURTHER RESPONSE TO
PRESIDING OFFICER'S RULING NO. MC2006-3/1
(June 28, 2006)

In its previous response to Presiding Officer's Ruling No. MC2006-3/1,¹ the Office of the Consumer Advocate (OCA) undertook to provide today an estimate of time needed for further discovery in this docket.² The Postal Service filed responses to OCA discovery on June 23, 2006. These responses have prompted further discovery, which is being filed today. This discovery continues to seek information that would allow application of the Panzar test to the Washington Mutual NSA.

Applying the Panzar test in this docket has become a complicated technical issue, due to the presence of a cross-price elasticity effect between First Class and Standard Mail. Oral cross-examination would not be a profitable means for obtaining information on this issue. Accordingly, the OCA requests that discovery remain open

¹ Issued May 2, 2006.

² Office of the Consumer Advocate Response to POR No. MC2006-3/1, June 15, 2006.

until the Postal Service provides a full Panzar test of the type contemplated by the Commission in its recent opinion in the Bank One case.³

Respectfully submitted,

Shelley S. Dreifuss, Director
Office of the Consumer Advocate

Emmett Rand Costich
Attorney

901 New York Avenue, N.W.
Washington, D.C. 20268-0001
(202) 789-6833; Fax (202) 789-6891
e-mail: costicher@prc.gov

³ Opinion and Further Recommended Decision in Docket No. MC2004-3, April 21, 2006.