

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

**Rate and Service Changes To Implement
Baseline Negotiated Service Agreement
With Bank of America Corporation**

Docket No. MC2007-1

**MOTION OF THE AMERICAN POSTAL WORKERS UNION, AFL-CIO
TO STAY PROCEEDINGS
(April 24, 2007)**

The American Postal Workers Union, AFL-CIO (APWU) hereby respectfully requests that the Postal Regulatory Commission stay the proceedings in this docket until such time as the Postal Service has responded to all outstanding discovery requests, specifically Interrogatory APWU/USPS-T1-1.

On March 27, 2007 the APWU propounded Interrogatories APWU/USPS-T1-3. The Postal Service response to these interrogatories was due no later than April 10, 2007. To date, no response to Interrogatory APWU/USPS-T1-1 has been filed by the Postal Service. The response is now two weeks past due and the Postal Service has provided no indication when it intends to produce this information.

Bank of America in response to NOI 1 states that “no participant has submitted evidence that current read/accept rates differ significantly from those estimates [made in R2000-1 based on 1999 data].” Interrogatory APWU/USPS-T1-1 states in its entirety:

APWU/USPS-T1-1 Please review the following quotes taken from recent Comprehensive Statements of the Postal Service:

“The ICS system is being added to all of our existing bar code sorters... When deployment is complete in early 2001, over 9,000 barcode sorters will be retrofitted with an ICS upgrade kit. The upgrade is increasing bar code sorter efficiency.” [CS 2000, page 46.]

“During 2003, 90 delivery barcode sorter-expanded capability machines were deployed, bringing the total number of DBCS-ECs to 94. The DBCS-EC machines can process a portion of letter mail that would otherwise require manual distribution. This equipment can handle a wider range of mail than previous barcode sorters,...” [CS 2003, page 60.]

“Deployment of Wide Field of View (WFOV) cameras as replacements for the aging and obsolete wide area barcode readers (WABCR) started in 2003. ... The WFOV camera system demonstrated a significant improvement over the WABCR in reading POSTNET and PLANET barcodes. Deployment of over 9,000 WFOV cameras was completed in November 2003.” [CS 2003, page 61.]

“Letter mail automation capabilities were expanded significantly in 2006 with the addition of new barcode recognition and data collection functions to support marketing and Intelligent Mail efforts. Most of the letter mail processing equipment has been upgraded to support the tracking of inter-facility mail.” [CS 2006, page 36.]

- a) Please provide all studies, test results, or other documentation that measures or reports on any improvements in the efficiency of barcode sorters with these enhancements compared to barcode sorters prior to the installation of these enhancements.
- b) Please provide information on what percentage of the barcode sorters in the Postal Service have these enhancements now, what percentage can expect to have these enhancements within the next three years and what percentage had these enhancements in 1999.

Thus, this interrogatory seeks to elicit evidence of the sort referred to by Bank of America that would show that current read/accept rates do differ substantially from the 1999 data relied on in the proposed NSA. As evidenced in NOI 1 and the Initial Comments filed in response, there is considerable concern over the use of the 1999 data in crafting a pay-for-performance agreement with a company whose read/accept rates may be far better than those experienced by the Postal Service in

1999. (see Valpak Direct Marketing Systems, Inc. and Valpak Dealers Association, Inc. Response to Notice of Inquiry No. 1). Moreover, given that this is a baseline case, an additional concern is the use of 1999 data for future pay for performance NSAs and the risk of distorted results and detrimental affects on the Postal Service.

Thus, if better, more current data is available it must be used to justify the proposed NSA. The Postal Service claims that this data does not exist but statements made in its Comprehensive Statements indicate otherwise. Given that the Postal Service bears the burden of justifying the NSA it has proposed, the Commission would be justified in simply rejecting the proposed NSA as unsupported by the evidence. However, this result is neither desirable nor necessary. But the docket is moving rapidly forward. Currently, May 8, 2007 has been set for a hearing, if one is deemed necessary; and notices of intent to file opposition testimony are due May 9, 2007. Interested parties only have two weeks to prepare to examine potential witnesses and determine if opposition testimony is required. W with the information requested in Interrogatory APWU/USPS-T1-1 still outstanding, these decisions cannot readily be made. Therefore, the Commission should stay the current proceedings until the Postal Service has provided its response to Interrogatory APWU/USPS-T1-1 and all parties have had the opportunity to evaluate the information provided.

Respectfully submitted,

Darryl J. Anderson
Jennifer L. Wood
Counsel for American Postal Workers Union, AFL-CIO