

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

Postal Regulatory Commission  
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REVIEW OF NONPOSTAL SERVICES

Docket No. MC2008-1 (Phase II)

UNITED STATES POSTAL SERVICE RESPONSE TO PRESIDING  
OFFICER'S INFORMATION REQUEST NO. 3  
(June 15, 2009)

On June 4, 2009, the Presiding Officer issued Presiding Officer's Information Request (POIR) No. 3 in the above-captioned proceeding. The Postal Service hereby provides its responses. Each question is repeated verbatim and is followed by the response. The response to Question 1 is submitted by Rick Osburn, while the response to Question 2 required input from multiple functional groups, and is thus submitted as an institutional response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Richard T. Cooper  
Chief Counsel, Business & Finance Law

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June 15, 2009

**RESPONSE OF RICK L. OSBURN TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 3**

1. Witness Osburn's testimony indicates the Postal Service began offering the Warranty Repair Program to others during FY 2006. Osburn Statement at 3, ¶ 8. Please state whether the program was offered to others prior to January 1, 2006 and provide the date of the initial offering of the Warranty Repair Program to others. If the Warranty Repair Program was offered to others prior to January 1, 2006, please explain the means and method of the offering at that time.

**RESPONSE:**

As indicated in the Osburn Statement at 2, ¶ 4, the Fee for Service program was initiated in 2004. At that time, as explained in the Statement, repair service performed by Postal Service contractors were offered to "others," specifically to OEMs who paid the Postal Service to perform repairs of equipment (previously purchased by the Postal Service from the OEMs) which the OEMs were contractually obligated to undertake.

What is discussed in the Osburn Statement at 2-3, ¶¶ 7-8, is the evolution of the Fee for Service program to include similar repairs of equipment manufactured by the same OEMs, but owned by companies or organizations other than the Postal Service. On March 22, 2006, the Postal Service began offering the Fee for Service to other OEMs for non-postal owned equipment. One such offer was accepted by Royal Mail (United Kingdom) to repair their Royal Mail equipment by the CRF/USPS located in Topeka, KS. Similar offers were extended to Target, Accusort, Dunkermotoren, and Imaje. Payments for the first repairs conducted on equipment not owned by the Postal Service were received later in 2006.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 3**

**DECLARATION**

I, Rick L. Osburn, declare under penalty of perjury that the foregoing Response of the United States Postal Service to Question 1 of Presiding Officer's Information Request No. 3 is true to the best of my knowledge, information, and belief.

*Rick L. Osburn*  
Rick L. Osburn

*6/15/09*  
Date

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 3**

2. Witness Bornitz's testimony states that the Postal Service sells CDs and DVDs in connection with stamp programs, seasonal events, or mutual brand placement arrangements. Bornitz Supplemental Statement at 3. Please describe the Postal Service's policies and practices for terminating the sale of music CDs and DVDs related to stamp programs or other events when the relevant stamps are discontinued or removed from sale or when the other events are concluded.

**RESPONSE:**

For retail lobbies, the current policy is that once a stamp is discontinued, or an event is otherwise concluded, any CDs or DVDs associated with that stamp/event that remain in inventory at retail locations are either discounted or returned to the vendor for credit. The discount period can vary, but would normally not last longer than three months.

For items sold on USPS.com, there is no specific policy regarding the removal of these products from sale. Remaining inventory is sold until it is determined, based on sales data, to discontinue its sale.

## CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

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Eric P. Koetting

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June 15, 2009