

INSTRUCTIONS AND DEFINITIONS

A. Instructions

1. These discovery requests impose a continuing obligation to respond and to provide additional information as it becomes available.
2. If no information or documents are responsive to any of these discovery requests, please so indicate.
3. For each data request, please identify the preparer or the person under whose direct supervision the response was prepared.
4. Please specify the data request to which each document applies. If a document or narrative response applies to more than one request, please provide a cross reference.
5. For data requests calling for the production of documents, please provide legible, true, and complete copies of the documents. If a responsive document has been lost or destroyed, or is otherwise unavailable, please follow Instruction 12 below.
6. Where a data request specifically requests a narrative response rather than the production of documents alone, a narrative response is required and the production of documents does not substitute for a narrative response.

7. These data requests are to be construed broadly to elicit all requested information which is discoverable under the Commission's Rules of Practice. Accordingly,

(a) The present tense includes the past tense and the past tense includes the present tense, and

(b) The singular includes the plural and the plural includes the singular.

8. The section headings in these discovery requests are provided solely for the convenience of the reader, and are not intended as restrictions on the scope of the information sought.

9. If any responsive information is not available in the form requested, please provide the available information or documents which best responds to the data request.

10. The time period covered by each question is limited to the period since November 1, 2007, unless the question (a) specifies a different time period, or (b) seeks production of the documents or information on which the Postal Service relies in support of a statement, claim or proposition.

11. These data requests apply to all responsive information and documents in your possession, custody, and control, or in the possession, custody, or control of your attorneys, witnesses, or other agents, from all files, wherever located, including active and inactive files and including electronic files.

12. If any responsive information or document is not in your possession, custody, or control, but you know or believe that it exists, please identify the information or document and indicate to the best of your ability the location and custodian of the information or document.

13. If any document responsive to any of these data requests has been destroyed or is otherwise unavailable, please identify and describe:

- (a) The subject matter and content of the document,
- (b) All persons involved in the destruction or removal of the document,
- (c) The date of the document's destruction or removal, and
- (d) The reasons for the destruction or other unavailability of the document.

14. If you assert any claim of privilege or discovery immunity in response to any data request, please identify each document withheld and state:

- (a) The document's title and type,
- (b) The privilege or immunity claimed and the basis for claiming such privilege or immunity,
- (c) Each person who prepared, signed, or transmitted the document,
- (d) Each person to whom the document, or any copy of the document, was addressed or transmitted,

(e) The date of the document, and

(f) The subject matter of the document.

15. For each response which is generated by a computer or electronic data storage mechanism, please state:

(a) The name of the file from which the response came,

(b) How the data are stored (punch cards, tapes, disks, etc.),

(c) How the data are transmitted and received, and

(d) The name of each person who collected the data or entered the data into the computer or electronic data storage mechanism.

16. For any requests with subparts, please provide a complete separate response to each subpart as if the subpart was propounded separately.

17. If information or documents responsive to any of these data requests has previously been provided in this proceeding in response to a discovery request by any participant, please provide a specific cross-reference. There is no need to make a duplicate response.

18. If you perceive any ambiguity in interpreting any data request, or any instruction or definition applicable thereto, please secure a clarification from counsel for GameFly as soon as the ambiguity is perceived.

Definitions

1. "Answer" refers to the Answer of the United States Postal Service submitted on May 26, 2009.

2. "Communication" means any correspondence, contact, discussion or exchange between any two or more persons. The term includes, but is not limited to, all documents, telephone conversations or face-to-face conversations, electronic mail, conferences or other meetings.

3. "Document" means any written, recorded, computer-stored, computer-generated or graphic material however stored, produced or reproduced. The term is to be construed to the full extent of the definition in Rule 34 of the Federal Rules of Civil Procedure. Any document that is not exactly identical to another document for any reason, including but not limited to marginal notations or deletions, is a separate document.

4. "DVD" means an optical disc storage medium also known as "Digital Versatile Disc" or "Digital Video Disc." As used in these questions, the term encompasses movie, music and game DVDs, and next-generation High Definition optical formats (such as Blu-ray Disc) as well as the standard definition format.

5. "DVD mailer" and "lightweight mailer" mean a mailpiece consisting of a DVD in a specialized mailing envelope, which may also include a protective insert. As used in these questions, the terms "DVD mailer" and "lightweight mailer" do not refer to mailpieces with DVDs in hard plastic jewel cases.

6. "Each" includes the term "every" and "every" includes the term "each." "Any" includes the term "all" and "all" includes the term "any." "And" includes the term "or" and "or" includes the term "and."

7. "Identify" means to state as follows:

- (a) With respect to a document and to the extent that the following information is not readily apparent from the document itself: (i) the document's title, date, author(s), signer(s), sender(s), addressee(s) and recipient(s); (ii) the type of document (e.g., letter, memorandum, agreement, invoice) its location and custodian; and (iii) a detailed description of its contents or principal terms and provisions.
- (b) With respect to a communication and to the extent the following information is not readily apparent: (i) the time, date and place of the communication; (ii) all maker(s) and recipient(s) of the communication; (iii) the mode of communication; (iv) the subject matter of the communication; and (v) any document generated in connection with the communication.
- (c) With respect to a person and to the extent the following information is not readily apparent: (i) the person's full name; (ii) the person's employer, job title, and a brief description of the person's current duties and duties at the time relevant to the data request; and (iii) the person's business address.

8. "Joint Statement of Undisputed and Disputed Facts" refers to the Joint Statement of Undisputed and Disputed Facts filed by the parties on July 20, 2009.

9. "OIG report" means OIG Audit Report No. MS-AR-08-001, Review of Postal Service First-Class Permit Reply Mail (issued November 8, 2007).

10. "Postal Service" or "USPS" refers to the United States Postal Service, including USPS Headquarters and any subordinate department, division, or office of the USPS, whether at the national, area, district or local level. This definition includes the officers, directors, agents and employees of the United States Postal Service and its Board of Governors.

11. "You" and "your" refers to the Postal Service, as indicated by the context of the question, as described in definition 2 supra.

12. The terms "related to" or "relating to" mean being in any way relevant to, commenting on, consisting of, referring to, composing, comprising, discussing, evidencing, identifying, involving, reflecting, or underlying.

13. The terms "state," "describe" and "explain" call for answers independent from any documents that are required in response to these data requests. Such answers should be in a form (e.g., narrative, tabular) appropriate to a complete response to the request.

QUESTIONS

GFL/USPS-170. Please refer to worksheet “DBCS DPS Cost” in the spreadsheet entitled “FE Outbound v.xls.”

(a) Please explain the derivation of the Damage Repair productivity (cell D34) and its underlying rationale.

(b) Please confirm that the Damage Repair productivity in this worksheet was used in all of the outbound and return cost models. If not confirmed, please explain fully.

GFL/USPS-171. Please refer to worksheet “DBCS DPS Cost” in the spreadsheet entitled “FE Outbound v.xls.”

(a) Please provide the entire spreadsheet referenced in source 6/ of this worksheet.

(b) If the referenced spreadsheet does not contain information for Single-Piece First-Class Mail, please also provide a similar spreadsheet for Single-Piece First-Class Mail.

GFL/USPS-172. Please refer to worksheet “Rates” in CD Return Scenario 2 v.xls.

(a) Please confirm that this same information is included in all of the CD envelope return mail cost models.

(b) Please explain why this worksheet contains reject, missort, damage, non-DVD missort, and non-DVD damage rates for the AFCS and DBCS, but not for the AFSM 100. In particular, was this information collected for AFSM 100 processing?

(c) If not, was it not collected because these rates were assumed to be low for DVDs processed on the AFSM 100? If this is not the reason, please explain why it was not collected.

GFL/USPS-173. Please refer to worksheet "Rates" in FE Return Scenario 2 v.xls.

(a) Please confirm that this same information is included in all of the FE envelope return mail cost models.

(b) Please explain why this worksheet contains reject, missort, damage, non-DVD missort, and non-DVD damage rates for the AFCS and DBCS, but not for the AFSM 100.

(c) In particular, was this information collected for AFSM 100 processing?

(d) If not, was the information not collected because these rates were assumed to be low for DVDs processed on the AFSM 100?

(e) If this is not the reason, please explain why the information was not collected.

GFL/USPS-174. Please refer to worksheets “Summary” and “Misc” in CD Return Scenario 2 v.xls. If the variability factor for riffling letter mail in cell D19 of “Misc” is changed to 1, what does the unit cost of a Centralized-Disc Envelope return under Scenario 2 (shown in cell I26 of the “Summary” worksheet) become? Please provide workpapers sufficient to enable us to replicate the derivation of your response.

GFL/USPS-175. Please refer to worksheets “Summary” and “Misc” in FE Return Scenario 2 v.xls. If the variability factor for riffling letter mail in cell D19 of “Misc” is changed to 1, what does the unit cost of a Floppy Edge-Envelope return under Scenario 2 (shown in cell I26 of the “Summary” worksheet) become? Please provide workpapers sufficient to enable us to replicate the derivation of your response.

GFL/USPS-176. Please refer to worksheet “Misc” in FE Return Scenario 2 v.xls. Please provide all of the raw data and calculations underlying the figures in cells B5, C5, and D5.

GFL/USPS-177. Table 2 of the “USPS Mail Characteristics Study of DVD-by-Mail” Report identifies the processing method for 0.6% of GameFly’s outbound mailpieces as “Other.” Please explain how the Postal Service handles pieces identified as “Other.”

GFL/USPS-178. Please confirm that the Postal Service did not develop a proportional CRA adjustment factor for any type of Single-Piece First-Class Mail Flats in Docket No. R2006-1, nor has the Postal Service subsequently developed such an adjustment factor. If not confirmed, please provide the adjustment factor, all underlying calculations, and the rationale.

GFL/USPS-179. Please confirm that the Docket No. R2006-1 USPS First-Class Mail Presort Flats cost model – e.g., the First-Class Mail model in USPS-LR-L-43 – embodies the “error in the procedure used to map First-Class Mail Automation flats pieces to rate elements” described in proposal eight filed by the Postal Service in Docket No. RM2008-2. If not confirmed, please explain fully.

GFL/USPS-180. Please confirm that the location-specific worksheets (e.g., “Palatine”) within an envelope type (i.e., FE and CD) and Scenario (i.e., 1, 2, and 3) in the return mail cost models differ only in terms of (a) the figures in columns [1] and [2] and (b) the values calculated in cells containing formulae that refer to those columns. If not confirmed, please explain all other differences fully.

GFL/USPS-181. Please refer to the unit Caller Service Pickup cost in cell P73 of worksheet “Orlando” in FE Return Scenario 2 v.xls. Please confirm that this cost is entirely a mail processing cost (i.e., cost component 3.1 plus associated piggybacks). If not confirmed, please disaggregate this cost by component and provide all underlying calculations.

GFL/USPS-182. Please refer to the location-specific worksheets in the return mail cost models in CostModels.zip. Do any of the cost calculations rely on the assumption that the return mail piece is processed at only one postal facility? If so, please list all calculations that rely on this assumption and explain in what way they rely on this assumption.

GFL/USPS-183. Please provide Netflix's average scrap (i.e., DVD damage) rate for return mailpieces for each fiscal year from FY 2005 through FY 2008.

GFL/USPS-184. Please refer to DVDDraftComments.doc, attached to an 8/31/2006 email from Virginia Mayes. Please provide the "net income" figures that are referred to on page 1 of the document, any subsequent revisions to these figures, and all underlying calculations and cost models.

GFL/USPS-185. Please refer to the portion of DVDDraftComments.doc (a Word file attached to an 8/31/2006 email from Virginia Mayes) that states, "It is not appropriate to apply the Presort Letters CRA Adjustment factor to flats processing streams." Please explain fully why it is appropriate to apply CRA adjustment factors for First-Class Mail Bulk Metered Mail (BMM) Letters, which generally are processed on automation, to the cost of Netflix return mailpieces, which generally are not processed on automation.