

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

COMPLAINT OF GAMEFLY, INC.)
) Docket No. C2009-1
)

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO DISCOVERY REQUESTS OF GAMEFLY, INC.
(GFL/USPS-94-95, 102)
(November 4, 2009)

Pursuant to Rules 26 and 27 of the Commission's Rules of Practice and Procedure, the Postal Service hereby provides its responses to the following discovery requests of GameFly, Inc.: GFL/USPS-94-95, 102. The public version redacts values in the table that concludes each response, while the nonpublic version does not.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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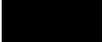
RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF GAMEFLY, Inc.

GFL/USPS-94. Please provide the FY 2008 average postage per piece for the outbound DVD mailpieces of (i) Netflix, (ii), Blockbuster, and (iii) GameFly.

RESPONSE:

The Postal Service does not routinely collect information on the content and all characteristics of mail entered and delivered. The information that is available to the Postal Service is provided by the customer on postage statements submitted at facilities equipped with *PostalOne!* terminals. Postage statement information is generally limited to the data sufficient to calculate and collect the correct postage, although some mailpiece and weight information is also recorded.

Information from postage statements of Netflix, Blockbuster, and GameFly does not distinguish DVD mailpieces from other mail that may be included on a postage statement during FY 2008. Thus, the *PostalOne!* data used to answer this question could reflect, in addition to DVD mail, other First-Class Mail sent by the customer (correspondence, billing statements, payments, etc.). For the purposes of answering this question, an outbound DVD mailpiece is considered to be any First-Class Mail piece that is **not** rated and recorded at Pre-Paid Return rates or any Business Reply Mail (BRM) rates. The FY 2008 average postage per piece for each customer is as follows:

<u>Customer</u>	<u>Postage/Pc</u>
Netflix	
Blockbuster	
GameFly	

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF GAMEFLY, Inc.

GFL/USPS-95. Please provide the FY 2008 average postage per piece for the inbound DVD mailpieces of (i) Netflix, (ii), Blockbuster, and (iii) GameFly.

RESPONSE:

The Postal Service does not routinely collect information on the content and all characteristics of mail entered and delivered. Information that is collected comes from customer postage statements submitted at facilities equipped with *PostalOne!* terminals. Postage statement information is generally limited to the data sufficient to calculate and collect the correct postage, although some mailpiece and weight information is also recorded.

Information from postage statements of Netflix, Blockbuster, and GameFly does not distinguish DVD mailpieces from other mail that may be included on a postage statement during FY 2008. Thus, the *PostalOne!* data used to answer this question could reflect, in addition to DVD mail, other First-Class Mail sent by the customer (correspondence, billing statements, payments, etc.). For the purposes of answering this question, an inbound (returning) DVD mailpiece is considered to be any First-Class Mail piece that **is** rated at Pre-Paid Return rates or any Business Reply Mail (BRM) rates. The FY 2008 average postage per piece for each customer is as follows:

<u>Customer</u>	<u>Postage/Pc</u>
Netflix	
Blockbuster	
Gamefly	

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF GAMEFLY, Inc.

GFL/USPS-102. Please provide the average weight per piece of Netflix, Blockbuster, and GameFly mailpieces in each year from FY 2005 through FY 2008.

RESPONSE:

The Postal Service does not routinely collect information on the content and all characteristics of mail entered and delivered. The information that is available to the Postal Service is provided by the customer on postage statements submitted at facilities equipped with *PostalOne!* terminals. Postage statement information is generally limited to the data sufficient to calculate and collect the correct postage, although some mailpiece and weight information is also recorded.

Information from the postage statements of Netflix, Blockbuster, and GameFly does not distinguish DVD mail from other mail that may be included on a postage statement during FY 2008. Thus, the *PostalOne!* data used to answer this question could reflect, in addition to DVD mail, other First-Class Mail sent by the customer (correspondence, billing statements, payments, etc.). In addition, weight information recorded on a First-Class Mail postage statement (PS Form 3600) does not necessarily represent the actual weight of mailpieces in a mailing. Because postage in First-Class Mail is calculated based on the ounce increment of each mailpiece rather than its actual weight, customers are allowed to record the sum of the individual ounce increments on the postage statement rather than its actual weight. For example, a mailing of 1,600 mailpieces each weighing 0.5 ounces can be recorded as weighing 1,600 ounces (100 pounds) in total on the postage statement rather than the actual weight of 800 ounces (50 pounds).

The average piece weight for each mailing is calculated based on the reported weight (i.e., sum of ounce-increment weight) divided by the number of pieces in the mailing. As explained in the previous paragraphs (possible inclusion of correspondence; actual piece weight may be less than that reported by ounce-increment), this calculation may overstate per-piece weight. For the purposes of answering this question, only outbound DVD mailpiece and weight information is used. This is because the Postal Service has information only as to the number of Pre-Paid Return mailpieces paid for and does not

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF GAMEFLY, Inc.

(Response to GFL/USPS-102 continued from previous page)

maintain statistics on the number or weight of mailpieces actually returned. An outbound DVD mailpiece is considered to be any First-Class Mail that is **not** rated and recorded at Pre-Paid Return rates or any Business Reply Mail (BRM) rates. The average ounces per piece from 2005 to 2008 for each customer are as follows:

<u>Year</u>	<u>Netflix</u>	<u>Blockbuster</u>	<u>GameFly</u>
2005	██████████	██████████	██████████
2006	██████████	██████████	██████████
2007	██████████	██████████	██████████
2008	██████████	██████████	██████████