

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

COMPLAINT OF GAMEFLY, INC.

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Docket No. C2009-1

**APPLICATION OF GAMEFLY, INC.,
FOR NON-PUBLIC TREATMENT OF
ANSWERS TO USPS DISCOVERY REQUESTS
USPS/GFL-87, 90, AND 94
(July 1, 2010)**

Pursuant to Rule 3007.22, 39 C.F.R. § 3007.22, GameFly, Inc. (“GameFly”) applies for nonpublic treatment of portions of its answers to USPS discovery requests USPS/GFL-86, 87, 90, and 94. GameFly has today filed copies of the unredacted versions of these documents under seal with the Commission, and served the same documents upon counsel for the Postal Service. All of these documents contain information that warrants protection from public disclosure under Rule 3007.22.

Specifically, the response to USPS/GFL-87(c) states the percentage of GameFly’s customer returned DVDs that flow through GameFly’s Pittsburgh distribution center. This geographically disaggregated volume information could provide insight into the organization of GameFly’s distribution and return operations as well as its relative penetration in regional markets. GameFly therefore asks that it be permitted to file this information under seal. GameFly has requested and received protection of similar information in previous responses, including Appendix USPS/GFL-10.

Appendix USPS-GFL-90 also contains disaggregated volume information, as well as information about the number of times GameFly games are rented out. Revealing

this information could allow GameFly's existing and potential competitors to gain insight into the behavior of GameFly's customers and adjust their business practices accordingly. The information would also enable competitors to estimate GameFly's inventory turnaround time, a major determinant of operating cost, and to estimate the useful life of a GameFly DVD. As the frequency with which GameFly is able to rent a particular game, and the longevity GameFly can realize from a particular game, provide GameFly with a competitive advantage, GameFly does not customarily release information about the number of times it rents its discs publicly.

Finally, GameFly's answer to USPS/GFL-94 discusses the damage tolerance levels GameFly applies to its discs. Publicly releasing this information could harm GameFly in several ways. Public disclosure would reveal information about GameFly's internal practices—including how it evaluates damage, how it repairs damage, and what levels of damage it has determined are acceptable—information that provides GameFly with a competitive advantage over other video game DVD mailers.

Respectfully submitted,

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July 1, 2010