

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

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

**FIRST DISCOVERY REQUESTS OF GAMEFLY, INC.,  
TO THE UNITED STATES POSTAL SERVICE WITNESS  
TROY R. SEANOR  
(GFL/USPS-T3-1-31)**

Pursuant to Rules 25 through 27 of the Rules of Practice and Procedure of the Postal Regulatory Commission, GameFly, Inc., respectfully submits the following discovery requests to USPS witness Troy R. Seanor.

Respectfully submitted,

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August 4, 2010

## **INSTRUCTIONS AND DEFINITIONS**

1. GameFly incorporates by references the instructions and definitions set forth in its first discovery requests to the Postal Service, dated July 31, 2009.

2. These questions are directed to both the witness and the Postal Service, and call for all responsive information in the possession, custody or control of either the witness or the Postal Service.

3. If particular documents responsive to a request have already been produced to or by GameFly, it is sufficient to identify those documents by title and date (for pleadings) or by GFL Bates number (for documents produced by the Postal Service in discovery).

## **QUESTIONS**

**GFL/USPS-T3-1.** Please produce copies of all documents that you received in connection with your work in this case.

**GFL/USPS-T3-2.** Please produce copies of all documents that you reviewed in connection with your work in this case.

**GFL/USPS-T3-3.** Have you ever had a discussion with any employee of GameFly? If so, please identify the employee(s) and state the date, location and substance of the discussion.

**GFL/USPS-T3-4.** During your career at the Postal Service, have you, your Area, your District, your plant, or your subordinates issued any Standard

Operating Procedures (“SOPs”) governing the processing of DVD mailers? If so, please identify and produce each such SOP.

**GFL/USPS-T3-5.** Please produce each SOP now in effect in the Eastern Area or the Cincinnati or Central Pennsylvania Districts that concerns the processing of Netflix DVD mailers.

**GFL/USPS-T3-6.** On page 1, lines 5-6, of USPS-T-3, you state “I am given to understand . . .” From whom did you obtain this understanding?

**GFL/USPS-T3-7.** This question concerns the following statement on page 3, lines 3-6, of USPS-T-3:

Decisions regarding the culling of DVD mail depend upon factors such as volume, density, how easily the mailpiece can be identified and captured (aided by visibility and easy access), and consideration of benefits vs. costs (with time being a critical element of the latter).

(a) Please produce documents indicating that these factors are actually considered in making local, district or area decisions about culling.

(b) Please identify the metric used for each of the listed factors, explain how each of the listed factors is measured and weighted in the course of making culling decisions, and produce documents showing how the measurement and weighting work in practice.

**GFL/USPS-T3-8.** On page 3, line 8, of USPS-T-3, you state “as I understand . . .” From whom did you obtain this understanding?

**GFL/USPS-T3-9.** On page 3, line 17, of USPS-T-3, you state “I understand that many of the data sources we use to drive our decisions also end up being used in Commission proceedings.”

(a) From whom did you obtain this understanding?

(b) Please identify each of the data sources used by the Postal Service “derive [its] decisions about local culling decisions.”

(c) Please produce documentation showing how the data are actually compiled, weighted and considered in recent culling decisions.

**GFL/USPS-T3-10.** On page 4, lines 20-22, of USPS-T-3, you state:

As such, strategic diversion of mailpieces out of the tighter AFCS window leads to overall benefits in meeting outgoing operational clearance times, while facilitating early DPS dispatch in the morning with its benefits for carriers.”

Please produce all analyses, studies and other calculations quantifying the benefit of this “strategic diversion.”

**GFL/USPS-T3-11.** On page 5, line 10, of USPS-T-3, is a word or phrase missing from the phrase “good clear”?

**GFL/USPS-T3-12.** On page 6, line 1, of USPS-T-3, you state “I understand that . . .” From whom did you obtain this understanding?

**GFL/USPS-T3-13.** On page 6, line 2, of USPS-T-3, you state “I also understand that . . .” From whom did you obtain this understanding?

**GFL/USPS-T3-14.** On page 6, line 12, of USPS-T-3, you state “I understand that . . .” From whom did you obtain this understanding?

**GFL/USPS-T3-15.** On page 7, lines 4-5, of USPS-T-3, you state:

[B]ut I do understand from Headquarters operations that on average, Netflix pieces average less than 70 miles through the mail”, so most pieces are not going through more than one plant. GameFly return pieces present a different profile, averaging over 459 miles per piece through the mail from origin to the destination GameFly processing site.

(a) From whom at Headquarters Operations did you obtain this information?

(b) Please produce all written communications on which your understanding is based.

(c) Please produce the data and calculations from which 70 and 459 mile values were derived.

(d) How many piece handlings do the average pieces of Netflix and GameFly return mail receive on their return trips?

(e) Please produce data and calculations sufficient to verify your response to part (d).

**GFL/USPS-T3-16.** On page 7, lines 9-11, of USPS-T-3, you state:

Where culling of Netflix by a delivery unit or local facility is done, operations has concluded that this efficient handling makes good business sense, as it can save additional downstream processing costs.

(a) Please identify all the metrics or criteria that define good business sense.

(b) Please state the priority ordering of or weighting given to these metrics.

(c) Please produce all studies, analyses, data or other information that you contend support the proposition that culling “can save additional downstream processing costs.”

(d) Please provide all studies or analyses showing that culling by a delivery unit or local facility is good business sense.

(e) Aside from studies, please provide the basis for your conclusion that culling by a delivery unit or local facility makes good business sense.

**GFL/USPS-T3-17.** On page 7, lines 11-14, of USPS-T-3, you state:

In some locations, separation of Netflix mail can begin in the delivery unit. If the carriers drop the collection pieces into a unique tub or tray, this eliminates the need for any subsequent AFCS or other automated letter sortation.

(a) Of the Netflix mail that is culled before the AFCS, what percentage is culled in the delivery unit?

(b) What percentage is culled in the 010 operation but before the AFCS?

(c) Describe the flow of mail and the process by which carriers drop collection mail into a unique tray or tub.

(d) Please produce studies, analyses or other internal documents sufficient to verify your responses to parts (a) through (c).

(e) Please provide all cost studies and analysis that show that separating the mail as you describe actually saves money.

**GFL/USPS-T3-18.** On page 7, lines 15-16, of USPS-T-3, you state: “Operations would not be doing this if it added any overall time (cost) in field operations.”

(a) Do you believe that operations minimizes costs at all times in all field operations?

(b) Is cost minimization ever less important than another objective? If so, in what circumstances?

(c) Does operations depend on analysis to determine how to minimize costs?

**GFL/USPS-T3-19.** This question refers to page 7, lines 9-19, of USPS-T-3, where you state:

Where culling of Netflix by a delivery unit or local facility is done, operations has concluded that this efficient handling makes good business sense, as it can save additional downstream processing costs. In some locations, separation of Netflix mail can begin in the delivery unit. If the carriers drop the collection pieces into a unique tub or tray, this eliminates the need for any subsequent AFCS or other automated letter sortation. This helps overall clearance of all originating mail in the narrow processing window. Operations would not be doing this if it added any overall time (cost) in field operations. A large plant can handle somewhere between seven

and twelve thousand Netflix DVDs nightly. If a good portion of this volume can be trayed the first time it is handled, the savings will compound by reducing overall handling costs and enabling the facility to achieve overall clearance time targets.

Please produce all analyses, studies, and other calculations quantifying the cost savings from culling Netflix mail.

**GFL/USPS-T3-20.** On page 10, line 13, of USPS-T-3, you state: “My understanding is that . . . “ From whom did you derive this understanding?

**GFL/USPS-T3-21.** On page 11, line 10-17, of USPS-T-3, you state that density plays a major role in local decisions to give Netflix return pieces manual culling or not.

(a) What is the lowest density that makes culling efficient?

(b) If your answer to part (a) is some variant of “it depends on other factors,” please identify the factors and explain what minimum density thresholds for manual culling result from those factors.

(c) Please produce all studies, reports or analyses and other documents that support your position about the importance of density in manual culling decisions.

**GFL/USPS-T3-22.** On page 17, line 15, you state: “I my understand that . . .”

(a) The phrase appears garbled. If it is, please correct it.

(b) From whom did you derive the referenced understanding?

**GFL/USPS-T3-23.** On page 18, lines 1-2, you state: “Generally all outgoing or originating operations in a processing facility must be complete and dispatched by 2230.” Please provide all analyses, studies, or other calculations concerning the effect of culling Netflix mail on meeting the 2230 dispatch time.

**GFL/USPS-T3-24.** On page 18, lines 5-9, you state:

Facilities where high density mailings can be efficiently isolated, thereby avoiding additional handling, can cut significant time off of their clearance. Even by shifting seven to ten thousand pieces of Netflix directly to dispatch can save 10-15 minutes or more from the AFCS operations and, more broadly, overall originating clearance time.

Please provide all analyses, studies, reports and similar documents that support these claims.

**GFL/USPS-T3-25.** On page 18, lines 21-23, of USPS-T-3, you contend that “a network of caller service pickup points comparable to what Netflix uses would also be necessary [for the Postal Service] to attain the economies [with GameFly] that the Postal Service realizes with Netflix.” Please provide any studies or analyses that support this statement.

**GFL/USPS-T3-26.** (a) At how many caller service pickup locations does Netflix receive mail?

(b) At how many caller service pickup locations did Netflix receive mail in 2003?

(c) At how many caller service pickup locations did Netflix receive mail in 2007?

**GFL/USPS-T3-27.** (a) Would the culling of Netflix mail into trays be justified on the grounds of efficiency if Netflix had only 12 caller service pickup points at which it received mail?

(b) Would the culling of Netflix mail into trays be justified on the grounds of efficiency if Netflix had 20 caller service pickup points at which it received mail?

**GFL/USPS-T3-28.** On page 19, lines 9-12, of USPS-T-3, you state that:

So attempting to cull all DVD pieces would likely prove inefficient because it would consume considerable time (especially in the AFCS operation) in the finite processing window to extract those pieces that were missed by the delivery unit. At some point, this would interfere with the efficiency of the operation and add rather than subtract and add rather than subtract processing costs.

(a) Please produce all studies, reports and analyses that support these statements.

(b) What is the volume density at which the cross-over point described in the second quoted sentence occurs? Please produce all studies, reports and analyses on which you rely.

**GFL/USPS-T3-29.** On page 21, line 21, you state: "Yes, as I understand the conditions specified in the letter."

(a) Please explain why you added the qualifying words after "Yes."

(b) Please identify each of the conditions specified in the letter from Andrew German to David Levy dated May 17, 2010, regarding the processing of

GameFly DVD mail whose meaning was not clear to you from the text of the letter itself.

(c) What aspects of the letter did you ask to have clarified?

(d) What clarifications did you receive that are reflected in your current understanding of the letter?

(e) From whom did you receive the clarifications?

(f) Please identify each of the conditions specified in the letter from Andrew German to David Levy dated May 17, 2010, regarding the processing of GameFly DVD mail whose meaning might not be obvious to GameFly or the Postal Regulatory Commission from the text of the letter itself.

**GFL/USPS-T3-30.** On page 21, lines 25-26, you state: “Yes, as I understand the conditions and how those relate to efficient mail flow.”

(a) Please explain why you considered it necessary to add the qualifying words after “Yes.”

(b) Please explain your understanding of the conditions established in the reference letter, with particular emphasis on the conditions whose meaning the text of the letter leave ambiguous.

(c) Please identify each of the conditions established in the referenced letter whose meaning was not clear to you from the text of the letter itself.

(d) What aspects of that part of the letter did you ask to have clarified?

(e) What clarifications did you receive that are reflected in your current understanding of that part of the letter?

(f) From whom did you receive the clarifications?

**GFL/USPS-T3-31.** The words “jam,” “jams” or “jammed” appear six time in your testimony (USPS-T-3).

(a) At what rate do Netflix’s inbound mailpieces jam Postal Service mail processing equipment?

(b) Please produce all data, studies and analyses on the propensity of Netflix’s inbound mailpieces to jam Postal Service mail processing equipment.