

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 WITNESS  
ROBERT LUNDAHL TO DISCOVERY REQUESTS OF GAMEFLY, INC.  
(GFL/USPS-T4-21, 34(d)-(f), 38, and 39)  
(August 20, 2010)

Pursuant to Rules 26 and 27 of the Commission's Rules of Practice and Procedure, Postal Service witness Robert Lundahl provides his responses to the following interrogatories from GameFly, Inc.: GFL/USPS-T4-21, 34(d)-(f), 38, and 39, filed on August 4, 2010.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:  
Daniel J. Foucheaux, Jr.  
Chief Counsel, Pricing and Product  
Support

Kenneth N. Hollies  
James M. Mecone

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-3083  
(202) 268-6525, Fax -3084  
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**GFL/USPS-T4-21.** On page 2, lines 3-6, of your testimony (USPS-T-4), you state that “the types of DVDs mailed by GameFly and the methods Gamefly uses to mail those DVDs may make the DVDs shipped by Gamefly more susceptible to damage than the DVDs shipped by Netflix, and perhaps by other mailers.”

(a) Why did you use the qualifier “may” instead of just omitting it or use the word “do” instead?

(b) Is the quoted statement, stripped of the qualifier “may,” a correct statement? Please explain fully any answer other than an unqualified yes.

(c) Please produce all studies, analyses, compilations of data, and other information quantifying the relative susceptibility to damage of “DVDs mailed by GameFly” versus “DVDs shipped by Netflix.”

(d) Please produce all studies, analyses, compilations of data, and other information quantifying the relative susceptibility to damage of “DVDs mailed by GameFly” versus DVDs shipped by other DVD rental companies.

(e) Please produce all studies, analyses, compilations of data, and other information quantifying the relative susceptibility to damage of DVDs mailed with GameFly’s shipping methods versus DVDs mailed with the shipping methods of Netflix.

(f) Please produce all studies, analyses, compilations of data, and other information quantifying the relative susceptibility to damage of DVDs mailed with GameFly’s shipping methods versus DVDs mailed with the shipping methods of other DVD rental companies.

**RESPONSE:**

(a) My knowledge of the characteristics of GameFly DVDs and GameFly’s mailing methods is limited to the information in GameFly’s responses to discovery requests.

(b) No, because my knowledge of the characteristics of GameFly DVDs and GameFly’s mailing methods is limited to my review of GameFly’s responses to discovery requests.

(c) ATR has not performed any study of GameFly DVDs.

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- (d) ATR has not performed any study of GameFly DVDs.
- (e) ATR has not performed any study of GameFly DVDs.
- (f) ATR has not performed any study of GameFly DVDs.

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**GFL/USPS-T4-34.** You state on page 11, lines 2-3, of your testimony (USPS-T-4) that “It is my understanding that the Postal Service has made modifications to resolve these issues.”

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(d) For each type of equipment, what percentage of the universe received the modifications, and what percentage is still unmodified?

(e) Please specify the reduction in breakage rate provided by each modification.

(f) Please produce documents sufficient to verify your responses to the previous parts of this question.

**RESPONSE:**

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(d) The completion of the Modification Work Order is 97.4%.

(e) It is my understanding that the Postal Service has not tracked breakage rates associated with these modifications.

(f) Please see Appendix-GFL/USPS-T4-34(f).

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**GFL/USPS-T4-38.** This question concerns the discussion of “DVD handling” on page 12, lines 4-17, of your testimony (USPS-T-4).

(a) What handling method(s) do you understand that GameFly uses for its DVDs? What is your basis for this understanding?

(b) Have you performed any FEM or destructive testing analysis on GameFly’s DVDs? If so, please produce the test data and results.

(c) Do you have any information about the techniques GameFly uses to protect the quality of the inside diameter of its DVDs?

(d) If so, please provide the information and identify its source.

**RESPONSE:**

(a) My understanding is that GameFly’s processing methods are essentially manual.

(b) I have tested a wide variety of DVDs from various manufacturers. While, to the best of my knowledge, none of them were then owned by GameFly, the testing was sufficiently broad that I am comfortable with the statements made in my testimony.

(c) Yes.

(d) A review of GameFly’s responses to discovery requests indicates that GameFly takes no action to protect the quality of the inside diameter of its DVDs. These responses, including USPS/GFL-31, 32 and 98, reflect GameFly’s general ignorance of the composition of DVDs and differences among DVDs. This general ignorance is reinforced by the statements made by David Hodess, the CEO of GameFly, during oral cross-examination. For example, on page 889 of Volume V of the transcript (July 28, 2010), Mr. Hodess explains that GameFly was not aware of and did not consider modifications to its DVDs as a method of

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reducing breakage, and this would include modifications to protect the quality of the inside diameter. And on page 892, Mr. Hodess states that he has no knowledge about the industry standard for DVDs or the composition of DVDs.

GameFly's responses to discovery requests demonstrate that GameFly may unknowingly take actions that increase the likelihood of damage to the inside diameter of its DVDs. In its response to USPS/GFL-88(c)-(d), GameFly states that it removes its DVDs from "a plastic DVD-type case with instructions and artwork." It is my understanding that this "plastic DVD-type case" is a jewel case. Removing a DVD from a jewel case can increase the likelihood of damage to the inside diameter of a DVD.

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**GFL/USPS-T4-39.** On page 12, lines 12-15, of your testimony (USPS-T-4), you state: "ATR...recommended that these spindles be inspected and the manufacturing process should avoid excessive handling by the inside diameter or the use of jewel cases."

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(c) Please specify in quantitative terms how much handling is excessive?

(d) On what data is your answer to part (c) based? Please produce the data and any studies or reports from the data were obtained[sic].

(e) Please explain the relationship between damage to DVDs and the use of jewel cases, and produce all studies, analyses and data on which your response is based.

(f) Do you contend that GameFly uses jewel cases for shipping or storing its DVDs? If your answer is anything but an unqualified no, please produce the information on which the answer is based.

**RESPONSE:**

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(c) This is difficult or impossible to quantify. It is a cumulative fatigue problem so it is more useful to say that less handling is better.

(d) All work that ATR performed concerning the failure analysis of DVDs was performed under contract to Netflix. All studies, analysis, reports, and ATR generated documents are Netflix proprietary information and cannot be disclosed without written authorization under the terms of our confidentiality agreement.

(e) Most jewel cases have some sort of central feature that captures the DVD by its inside diameter. Removing and replacing the DVD over these features can possibly damage the inside diameter of the DVD with small scratches causing

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stress concentrations where the stress is highest when the DVD is bent or flexed. Stress concentrations will accelerate crack formation and reduce the fatigue life of the DVD.

All work that ATR performed concerning the failure analysis of DVDs was performed under contract to Netflix. All studies, analysis, reports, and ATR generated documents are Netflix proprietary information and cannot be disclosed without written authorization under the terms of our confidentiality agreement.

(f) Gamefly's DVDs arrive in jewel cases from the manufacturer. Please see the response to GFL/USPS-T4-38(d).