

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

RATE AND SERVICES CHANGES TO
IMPLEMENT FUNCTIONALLY EQUIVALENT
NEGOTIATED SERVICE AGREEMENT WITH
DISCOVER FINANCIAL SERVICES, INC.

Docket No. MC2004-4

REPORT OF SETTLEMENT COORDINATOR
(September 2, 2004)

The Postal Service, as settlement coordinator, reports that there have been no additional settlement discussions during the past two weeks, as this case is moving forward to the briefing stage. However, the Postal Service believes that the previous settlement conferences and discussions with other participants have been fruitful in helping parties focus on the issues they wish to present to the Commission in their briefs.

The next report of the settlement coordinator will be filed on September 16, 2004.

Respectfully submitted,

U.S. POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Brian Reimer

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

Brian Reimer

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September 2, 2004