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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

July 19, 1996

Dear Participant:

This is in reference to Postal Rate Commission Docket No. MC96-3, the Special Services Reform case. At the prehearing conference on July 12, 1996, the Presiding Officer requested that the Postal Service consult with the participants on the prospects for a partial settlement of issues. As you may be aware, the Presiding Officer raised the possibility of a partial settlement on proposals for return receipt, insurance, registered mail, special delivery, and stamped cards and suggested that counsel for the Postal Service consult with other participants on this subject. During the prehearing conference, counsel for the American Postal Workers Union expressed opposition to a partial settlement encompassing the special delivery proposal, and by notice filed on July 16, the American Bankers Association expressed interest in pursuing the return receipt proposal. To our knowledge, as of the date of this correspondence, the possibility of partial settlement remains open, especially on the insurance, registry, and stamped card proposals.

We welcome settlement of all or any subset of the proposals forming the Postal Service's Request, and are committed to working with the participants to achieve this objective. We believe that a partial settlement of the issues in this proceeding is desirable and in the public interest. Partial settlement would not only promote the Commission's interest in administrative economy but also serve every participants' common interest in reducing the costs of litigation in this proceeding.

To date, representatives for the participants with whom we have consulted orally have advised that they will be unable to express their position on a proposed settlement until the conclusion of discovery on the Postal Service. We are hopeful that at that time, the prospects for a partial settlement will be favorable. We would accordingly appreciate your cooperation in advising us of the chances of partial settlement by completing and returning the attached forms no later than August 27, 1996. Completion and return of a reply in no way commits you to signing, agreeing to, or opposing a stipulated settlement; rather, this process merely serves as a convenient means for our office to gauge participants' current interest in the prospects for settlement. Presently, we