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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

ORDER NO. 1265

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Edward J. Gleiman, Chairman;
George A. Omas, Vice Chairman;
Dana B. Covington, Sr., Ruth Y. Goldway;
and W.H. "Trey" LeBlanc III

Complaint on Charges for the
Bulk Parcel Return Service

Docket No. C99-4

ORDER ON FURTHER PROCEDURES

(Issued October 8, 1999)

In response to Commission Order No. 1260 (issued September 3, 1999), Office of the Consumer Advocate (OCA) director Ted P. Gerarden, in his capacity as settlement coordinator, has filed a status report on negotiations. September 17, 1999 OCA Report on Potential for Settlement to Resolve Complaint ("OCA Status Report"). Also in response to the order, complainant Continuity Shippers Association (CSA) has filed a statement estimating the time needed to develop and file its case. September 24, 1999 CSA Statement on the Amount of Time Required to Develop and File a Direct Case ("CSA Statement"). In addition to these filings, several additional documents have been filed. See October 1, 1999 OCA Response to CSA Statement on Proposed Schedule ("OCA Response"); October 5, 1999 CSA Clarification of September 23, 1999 Statement; and October 5, 1999 Advertising Mail Marketing Association (AMMA) Response to "OCA Response" (AMMA Response).

The OCA's status report. Mr. Gerarden's status report notes that a combined technical and settlement conference was held within the timeframe designated by the Commission. OCA Status Report at 1. It further states that settlement does not appear likely, and notes that "... all participants have reserved their positions with respect to the appropriate procedures to be followed in this case." *Id.*

CSA's time estimate. In its statement estimating the time needed to develop its case, CSA notes that it has informed the Postal Service that it will stipulate to an attributable cost figure of \$1.09 for BPRS for the year 2000 based, in part, on use of the Consumer Price Index-Urban (CPI-U) as a roll-forward factor. Given this approach, CSA says it does not believe testimony is required on the cost of BPRS. The only remaining issue, according to CSA, is the appropriate cost coverage, which it believes is a judgmental or legal issue that does not require testimony at this time. Therefore, the CSA proposes that the entire case be presented on briefs from the parties, with a deadline of October 1, 1999 for CSA's brief and a deadline of October 15, 1999 for briefs of the Postal Service (and others). On its own accord, pursuant to its proposed schedule, CSA filed a brief on October 5, 1999.

The OCA's response to CSA's proposed schedule identifies several objections to proceeding on brief at this time, and notes two other alternatives. These entail holding hearings on the issues to determine the attributable costs and the appropriate cost coverage and deferring the issues raised by the complaint for consideration in the forthcoming omnibus rate case. OCA states that it favors deferral. OCA Response at 1-2.

AMMA Response. AMMA takes issue with OCA's suggestion that consideration of CSA's concerns be deferred until the next omnibus rate case, on grounds that CSA has not requested "a full blown analysis of both cost and cost coverage for BPRS." AMMA Response at 1. Among other things, it says it agrees with CSA that "quick Commission revisitation to BPRS rates is feasible and that rate relief for BPRS mailers is not only justifiable, but obligatory in the interest of fairness." *id.* at 2. Accordingly,

AMMA says the case should not be held in abeyance, but promptly adjudicated to conclusion, *Id.*

Commission determination. As CSA filed its brief prior to issuance of a Commission decision on appropriate further procedures and deadlines, the Commission extends to the Postal Service an opportunity to indicate whether it would like an opportunity to present evidence prior to filing a responsive brief. Therefore, the Service is to file a statement, no later than October 14, 1999, indicating whether it wishes to present evidence on matters raised in CSA's complaint. The statement should address related matters, such as the time needed to prepare its presentation of evidence. If the Service declines to present evidence, its brief (and those of any other interested participants) shall be filed no later than October 21, 1999.

It is ordered:

1. The Service is to file no later than October 14, 1999 a statement addressing its interest in presenting evidence in this case.
2. If the Service declines to present evidence, responsive briefs are due no later than October 21, 1999.

By the Commission.

(S E A L)


Cyril J. Pittack
Acting Secretary