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ORDER NO. 1326

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

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

Before Commissioners:

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

Ride-Along Experiment Extension

Docket No. MC2001-3

NOTICE AND ORDER ON REQUEST FOR EXTENSION
OF "RIDE-ALONG" CLASSIFICATION AND FEE

(Issued October 5, 2001)

On September 28, 2001, the U.S. Postal Service filed a request with the Postal Rate Commission for an extension of the Ride-Along experiment, which is now underway pursuant to Docket No. MC2000-1. The experiment allows one qualifying Standard mail piece to "ride along" with a host piece of Periodicals class for a flat fee of 10 cents.

Without the extension, the experiment would expire on February 26, 2002, while the Service's request for permanent Ride-Along status (and a flat fee of 12.4 cents) is pending as part of the recently-filed omnibus rate and classification case (Docket No. R2001-1). To address this situation, the Service proposes changing the expiration date to coincide with implementation of related rate schedules (or Periodicals rates generally) resulting from the omnibus case decision. Request of the United States Postal Service for a Recommended Decision on Extension of the Experimental Ride-Along Classification for Periodicals, September 28, 2001 (Request). The Request was filed pursuant to chapter 36 of the Postal Reorganization Act, 39 U.S.C. 3602 *et seq.* It affects Domestic Mail Classification Schedule (DMCS) section 443.1a and Rate Schedules 421 (footnote 12) and 423 (footnote 5).

In support of its Request, the Service has filed the prepared direct testimony of witness Koroma (USPS-T-1). Request, Attachment A. This testimony incorporates by

reference witness Koroma's testimony (USPS-T-44) in the omnibus case. The Service also has filed a motion seeking waiver (to the extent applicable) of Commission rules 54 and 64; a proposed stipulation and agreement; and a related notice. Motion of the United States for Waiver of Rules, September 28, 2001; Stipulation and Agreement, September 28, 2001; Notice of United States Postal Service Filing of Proposed Stipulation and Agreement, September 28, 2001 (Notice).

Potential for expedition, including settlement. The Service's Notice indicates that the limited nature of the proposed change lends itself to exploration of the possibility of settlement, and states that it has filed the Stipulation and Agreement to encourage parties to consider expeditious resolution. It further suggests that parties contact Postal Service counsel with questions or with signature pages for the Stipulation and Agreement. Notice at 1. Similarly, the Service's Request indicates that it does not expect this proposal to be controversial; cites the interest of mailers and advertisers in making related business decisions prior to the current cutoff date; and notes that it has begun contacting participants in the underlying experimental case regarding settlement. Request at 2.

Proceedings; authorization of settlement negotiations. The Commission hereby establishes Docket No. MC2001-3, Ride-Along Experiment Extension, for consideration of the Service's proposed change in the previously-approved expiration date. The Commission authorizes settlement proceedings in this case, appoints the Postal Service as settlement coordinator, and forgoes setting a prehearing conference date in recognition that a prompt settlement may be possible.

Intervention. Those wishing to be heard in this matter are directed to file a written notice of intervention with Steven W. Williams, Acting Secretary of the Commission, 1333 H Street NW, Suite 300, Washington, DC 20268-0001, on or before October 19, 2001. Notices should indicate whether the intervenor requests a hearing or conference, and to the extent possible, the position of the intervenor with regard to the Postal Service Request. See rule 20(b), 39 CFR 3001.20(b). In the absence of a specific request, evidentiary hearings may not be held.

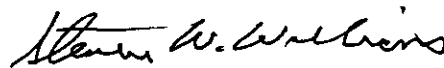
Representation of the general public. In conformance with § 3624(a) of title 39, the Commission designates Shelley S. Dreifuss, acting director of the Commission's Office of the Consumer Advocate (OCA), to represent the interests of the general public in this proceeding. Pursuant to this designation, Ms. Dreifuss will direct the activities of Commission personnel assigned to assist her and, upon request, will supply their names for the record. Neither Ms. Dreifuss nor any of the assigned personnel will participate in or provide advice on any Commission decision in this proceeding. The OCA shall be separately served with three copies of all filings, in addition to and at the same time as, service on the Commission of the 24 copies required by Commission rule 10(d).

It is ordered:

1. The Commission establishes Docket No. MC2001-3, Ride-Along Experiment Extension, to consider the request referred to in the body of this order.
2. Notices of intervention shall be filed no later than October 19, 2001.
3. Answers to the Motion of the United States for Waiver of Rules are due no later than October 19, 2001.
4. The Postal Service is authorized to act as settlement coordinator in this proceeding.
5. The Acting Secretary shall arrange for publication of this notice and order in the Federal Register.

By the Commission.

(S E A L)



Steven W. Williams,
Acting Secretary