

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

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

FIRST REPORT OF THE UNITED STATES POSTAL SERVICE
AS SETTLEMENT COORDINATOR
(November 2, 2001)

On October 25, 2001, during the Prehearing Conference in this docket, the Presiding Officer directed the participants to consider the possibilities for settlement. Noting the extraordinary events of the past several weeks, and the potential effects that changed circumstances might have on the Postal Service's Request for a Recommended Decision, Vice Chairman Omas requested all participants to consider whether substantial agreement on issues and objectives might permit a beneficial resolution of the current proceeding. He asked the intervenors to consider his remarks within the next few days, and asked the Postal Service to consult with them and report on whether a settlement might be possible. He further asked for suggestions on what steps the Commission might take to facilitate settlement.

On October 26, 2001, the Postal Service filed notice of an informal settlement conference to be held at Postal Service Headquarters on October 30, 2001.¹ During the conference, a broad spectrum of intervenors discussed numerous issues pertaining to the Postal Service's Request and proposals, as the possible bases for a joint settlement

¹ Notice of the United States Postal Service Regarding Informal Settlement Conference, Docket No. R2001-1 (Oct. 26, 2001).

agreement. The consensus of the participants was that, in light of developments since early September, there was sufficient interest in pursuing a settlement agreement to warrant further discussions. The conference, however, and individual discussions with mailers thereafter, revealed that disagreements exist regarding specific elements of the Postal Service's proposals. The Postal Service offered to meet separately and jointly with intervenors to consider issues that might be obstacles to successful agreement.

Since the informal conference, the Postal Service has met and consulted with several intervenors to discuss settlement. It currently has plans to meet with other intervenors next week. Based on these discussions, and those at the conference, the Postal Service believes that there is reason to continue the settlement discussions to determine whether the parties can agree upon a joint stipulation and agreement that might serve as the basis for a Commission Recommended Decision. At this point, the Postal Service does not believe that there is sufficient agreement on the terms of a possible settlement to warrant recommendation of specific procedural and other steps

that might be taken by the Commission to facilitate the settlement effort. The Postal Service intends to submit another report on settlement no later than November 9, 2001.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

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.

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November 2, 2001

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