

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

EXPERIMENTAL PERIODICALS
CO-PALLETIZATION DROPSHIP
DISCOUNTS, 2002

Docket No. MC2002-3

UNITED STATES POSTAL SERVICE REQUEST FOR EXPEDITION
AND ESTABLISHMENT OF SETTLEMENT PROCEDURES
(September 26, 2002)

The United States Postal Service hereby requests that the Commission expedite this proceeding.

The proposed experimental classification change is straightforward and of a limited scope and duration. The Postal Service is proposing a two-year experiment involving discounts for certain Periodicals mail that is co-palletized and dropshipped. It would be limited to Periodicals mail that cannot be palletized as an individual publication, *i.e.*, it lacks sufficient volume and/or density to form an Area Distribution Center (ADC) pallet of 250 pounds or more. The desired outcome of this experiment would be to reduce postal costs by reducing the amount of Periodicals mail that the Postal Service must handle in sacks. The Postal Service also believes that there is a distinct possibility of settlement in this case.

The experimental changes requested are explained fully in the testimony of Postal Service witness Taufique (USPS-T-1), and in the Postal Service's Request. The changes involve an addition to the Domestic Mail Classification Schedule and to Rate Schedule 421 for Periodicals. Moreover, the proposed changes would have an insignificant effect on the Postal Service's overall volumes, revenues, and costs.

Finally, discussion by the Postal Service with the Periodicals industry indicates widespread support for the proposal, which should have no significant adverse effect on other mailers or competitors. Thus, there is a substantial possibility for settlement.

For all of these reasons, the Postal Service requests that this proceeding be conducted on an expedited schedule. Although the Postal Service does not request a specific schedule, it does suggest a number of procedures that might be followed with the end of facilitating a quick resolution.¹

First, the Postal Service suggests that a relatively short intervention period be allowed. Essentially, all affected Periodicals mailers already are aware of the proposal. The likelihood of interested parties being surprised by, and therefore unprepared for, quick intervention in this proceeding appears low. The change affects only users of one class of mail, who generally have been informed about the development of this proposed experiment.

Second, the Postal Service suggests that parties be required specifically to request any hearing in their notice of intervention, and, as provided by Rule 67a(b), to identify with particularity any "genuine issues of material fact" that they believe warrant a hearing. If there is no request for a hearing, or if the Commission determines that there are no germane issues of material fact, then it can dispense with discovery and hearings, as contemplated by Rule 67a.

Third, the Postal Service requests that a settlement conference be scheduled as

¹ The Postal Service realizes that Rule 67d requires that a recommended decision be issued *no later* than 150 days from the later of either the filing of the Request or a determination that the case may properly be considered under the experimental rules. The language of this rule clearly allows for a more expedited consideration.

quickly as possible following the deadline for intervention. Reaching a settlement promptly will obviate most, if not all, subsequent procedural steps.

Fourth, if any discovery is found to be necessary, the time allotted for discovery on the Postal Service's case should be abbreviated. Discovery should be limited to those matters bearing directly on the proposed experimental discounts. The time limits for responding to discovery requests and related objections and motions should be shortened. With only one piece of testimony, no workpapers, and no library references, abridged and expedited discovery should not be an issue.

As the case progresses, other procedures may also be eliminated. For example, if there are no hearings and discovery is very light, then there may be no need for any testimony by intervening parties, or rebuttal by the Postal Service. It may also be possible to dispense with briefs and oral argument.

The minimal changes embodied in the Postal Service's Request should lend themselves to an expeditious and uncomplicated review. In light of this, and of the flexibility envisioned by the experimental rules, the Postal Service requests the Commission's assistance in expediting this proceeding.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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