

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268B0001

EXPERIMENTAL PRIORITY MAIL FLAT-RATE
BOX, 2004

Docket No. MC2004-2

STATUS REPORT ON SETTLEMENT
(July 22, 2004)

Pursuant to the direction of the Presiding Officer (Tr. 1/8), the United States Postal Service hereby provides its first bi-weekly status report on progress toward, and likelihood of, reaching a settlement in this docket.

The Postal Service continues to believe that settlement prospects are promising. The past two weeks have involved rather more in the nature of additional discovery, and related motions practice, than was apparently forecast prior to and during the Prehearing Conference. Notwithstanding, the Postal Service has engaged in an exchange of ideas and positions with the OCA, and has informed intervenors Carlson and Popkin as to the substance of that exchange. Those discussions continue.

The Postal Service is also hopeful that some middle ground may be available for compromise on outstanding discovery matters. However, the pace of document preparation necessitated by discovery has so far precluded full exploration of these issues. The OCA, Mr. Popkin and Mr. Carlson all have motions to compel production pending that will soon be ripe for the Presiding Officer's consideration.

The Postal Service has shared a settlement proposal with participants, requesting prompt consideration, in the hope that a settlement may soon be reached. If settlement does not appear to be imminent by the end of July, the Postal Service anticipates that it will request establishment of additional procedural steps to facilitate orderly progress towards a resolution of this docket.

The Postal Service will provide a further report not later than two weeks from today.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Richard T. Cooper

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2993; Fax -3084

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.

Richard T. Cooper

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2993; Fax -5402
July 22, 2004