

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

EXPERIMENTAL PRIORITY MAIL FLAT-RATE
BOX, 2004

Docket No. MC2004-2

SECOND STATUS REPORT ON SETTLEMENT
(August 5, 2004)

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

Substantial progress has been made toward reaching a settlement in this case. The Postal Service and the OCA have, in fact, recently reached agreement on settlement terms. The Postal Service intends to promote this agreement with the OCA as the basis for reaching prompt settlement with the remaining parties to the proceeding. A copy of the stipulation and agreement reached with the OCA was forwarded today to the representatives of all parties of record. Unless unforeseen reactions are encountered, the Postal Service anticipates that the stipulation and agreement will be filed with the Commission early next week, with the filing of signature pages to follow soon thereafter. The Postal Service believes that most, if not all, parties to this case will find the

stipulation and agreement an acceptable basis to resolve the issues of this case, and that a partial or complete settlement soon will be achieved.

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

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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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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August 5, 2004