

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

RATE AND SERVICES CHANGES TO
IMPLEMENT FUNCTIONALLY EQUIVALENT
NEGOTIATED SERVICE AGREEMENT WITH
DISCOVER FINANCIAL SERVICES, INC.

Docket No. MC2004-4

REPORT OF SETTLEMENT COORDINATOR
(September 16, 2004)

The Postal Service, as settlement coordinator, reports that there have been no additional settlement discussions during the past two weeks, during which the record has closed, and initial briefs and reply briefs have been filed. In its previous settlement report (September 2, 2004), the Postal Service expressed its belief that the previous settlement conferences and discussions with other participants have been fruitful in helping parties focus on the issues they wish to present to the Commission in their briefs. The briefs that have been filed include indications that other participants share this view. See Initial Brief of the American Bankers Association at 1; Initial Brief of Discover Financial Services, Inc. at 1-2; Reply Brief of the Magazine Publishers of America, Inc. at 1; Reply Brief of the Office of the Consumer Advocate at 1-2.

The Settlement Coordinator does not anticipate filing any more reports in this docket.

Respectfully submitted,

U.S. POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking

Brian Reimer

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.

Brian Reimer

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September 16, 2004