

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

EXPERIMENTAL PREMIUM
FORWARDING SERVICE

Docket No. MC2005-1

REPORT OF UNITED STATES POSTAL SERVICE
REGARDING STATUS OF SETTLEMENT DISCUSSIONS
(January 31, 2005)

In accordance with Order No. 1428 (January 11, 2005), at 2, the United States Postal Service hereby provides the Commission with an update regarding settlement discussions in this docket. The Postal Service continues to hope and expect that resolution of this proceeding will be assisted by a settlement agreement.

Since the report provided orally at the Prehearing Conference on January 7, 2005 (see Tr. 1/5-6), the OCA and Messrs. Popkin and Carlson have received responses from the Postal Service and its witnesses to numerous interrogatories. Several sets of interrogatories from the OCA and Mr. Popkin are yet outstanding. While the OCA has not filed any interrogatories since the deadline for new interrogatories on January 27, 2005, Mr. Popkin has filed interrogatories styled as follow-up. His most recent interrogatory was filed earlier today. As such, discovery is still quite active, although the Postal Service does expect that it should soon taper off.

No participant is now requesting a hearing; however, the OCA is unable to state with certainty that it will not request an opportunity for oral cross-examination until it

sees what happens with the outstanding interrogatories. Undersigned counsel has never understood that either of Messrs. Carlson or Popkin is interested in a hearing.

No settlement agreement has yet been shared with participants, although participants are aware that its structure and content would resemble agreements filed in other dockets. The Postal Service hopes that discussion regarding a settlement will be enabled and facilitated with the filing of outstanding interrogatory responses.

The Postal Service sees no need for the establishment of a formal procedural schedule at this time. It expects that answers to interrogatories will obviate any hearing, that a settlement agreement can be reached and likely signed by all participants excepting Mr. Popkin, and that the next procedural step will be the filing of briefs and perhaps reply briefs.

Finally, the Postal Service hereby undertakes the obligation to provide the Commission with another status report on settlement by not later than February 16, 2005.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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