

UNITED STATES OF AMERICA
POSTAL RATE COMMISSION
WASHINGTON, DC 20268-0001

Postal Rate and Fee Changes

Docket No. R2005-1

PRESIDING OFFICER'S RULING
ESTABLISHING PROCEDURAL SCHEDULE

(Issued May 19, 2005)

Attachment A to this Ruling sets out procedural dates for the conduct of this docket. The Postal Service accompanied its Request in this case with a separate Request for Expedition. The Postal Service indicated that it viewed settlement of a substantial portion of the issues in this case as likely, and that as a result time for processing its Request could be shorter than normal.

The potential for settlement was discussed at the prehearing conference. In its First Report of the United States Postal Service as Settlement Coordinator, filed May 10, 2005, the Service reported that no participant expressed opposition to settlement although a number of parties were unwilling to express a position yet. Those parties unable to take a position generally prefer to await the completion of discovery on the Postal Service before making a final determination. However, the Postal Service remains confident that settlement is a real possibility, and it states that it also intends to pursue ways to reduce the need for cross-examination in this case.

The procedural schedule established in this Ruling assumes that the parties will make some progress toward narrowing issues and reducing the need for cross-examination. For this reason, it provides less time for cross-examination, and discovery on the direct testimony of intervenors, than has been the norm in past Commission

cases. As a result, it may be possible to complete this case in significantly less time than would be needed to evaluate a normal omnibus rate request.

Discovery on the Postal Service. There will be two distinct dates for the completion of discovery on Postal Service witnesses. Discovery on the majority of Postal Service witnesses, identified for convenience purposes as Group A, will extend through June 10. Group A witnesses include: Potter (USPS-T-1), Hunter (USPS-T-3), Tayman (USPS-T-6), Thress (USPS-T-7), Bernstein (USPS-T-8), Meehan (USPS-T-9), Waterbury (USPS-T-10), Nash (USPS-T-17), Kay (USPS-T-18), Miller (USPS-T-20), Abdiraham (USPS-T-21), Hatcher (USPS-T-22), Moser (USPS-T-23), Wesner (USPS-T-24), Mayes (USPS-T-25), Cutting (USPS-T-26), Robinson (USPS-T-27), Taufique (USPS-T-28), and Bradley (USPS-T-31).

Several participants have submitted pleadings requesting more time for discovery on the two new major cost attribution studies the Postal Service relies on in this case. These studies propose new treatment of mail processing costs and city carrier out of office costs. Discovery on witnesses with testimony related to these two topics, identified for convenience purposes as Group B, will extend through June 17. Group B witnesses include: Shaw (USPS-T-2), Pafford (USPS-T-4), Harahush (USPS-T-5), Van-Ty-Smith (USPS-T-11), Bozzo (USPS-T-12), Smith (USPS-T-13), Bradley (USPS-T-14), Stevens (USPS-T-15), Kelley (USPS-T-16), Miller (USPS-T-19), McCrery (USPS-T-29), Lewis (USPS-T-30), Loetscher (USPS-T-32), and Alenier (USPS-T-33).

Cross-examination of Postal Service witnesses. Hearings to receive the direct testimony of the Postal Service will take place between June 27 and July 8, 2005. Hearings will be divided into two sessions. Group A witnesses will testify starting June 27. It is my intention to complete the testimony of Group A witnesses on June 30, to enable witnesses and counsel to avoid travel problems caused by the Independence Day holiday. However, if necessary, a shortened hearing session may be scheduled on Friday, July 1. On June 10, participants are to submit notices of intent to cross-examine Group A witnesses, indicating whether cross-examination is expected to be light,

medium, or heavy. Also on June 10, the Postal Service is to submit a statement of availability of Group A witnesses during the period June 27 through June 30.

Group B witnesses will testify starting July 6. It is my intention to complete the testimony of Group B witnesses on July 8. On June 17, participants are to submit notices of intent to cross-examine Group B witnesses, indicating whether cross-examination is expected to be light, medium, or heavy. Also on June 17, the Postal Service is to submit a statement of availability of Group B witnesses during the period July 6 through July 8.

Discovery requests to the Postal Service solely for the purpose of preparing testimony in rebuttal to the evidence presented by participants other than the Postal Service may be submitted through August 23.

Evidence of participants other than the Postal Service. If participants agree to a settlement in this case, there may be little or no need for participants other than the Postal Service to file evidence. However, for planning purposes, a full procedural schedule is provided in this Ruling. The direct testimony of participants including rebuttal to the Postal Service is to be filed on July 14. Discovery on that testimony will continue through August 5. Hearings to receive that testimony will be held August 22 through August 26. Participants are to submit notices of intent to cross-examine intervenor witnesses on August 5. Also on August 5, participants are to submit statements indicating the availability of their witnesses to appear during the period August 22 through August 26.

Additional procedural steps. If a significant number of issues in this case are resolved through settlement, it may be possible to forego a third round of testimony. Participants intending to submit rebuttal to evidence presented by participants other than the Postal Service, and the Postal Service, if it intends to submit surrebuttal testimony, shall file notice to that effect on or before August 30. If a third round of testimony is not necessary, initial briefs in this case will be due September 12, with reply briefs due September 19.

Rebuttal to evidence presented by participants other than the Postal Service, and Postal Service surrebuttal testimony is to be filed September 8. Hearings to receive this evidence will take place September 14 through September 16. If there is a third round of testimony, initial briefs are to be filed on or before September 26, with reply briefs due October 3.

In recent Commission cases, there has been no oral argument. Oral argument will only be contemplated as an extreme measure to consider contentions of prejudicial misstatements in reply briefs. A participant seeking oral argument shall file a written motion explaining why a written submission would be inadequate within 48 hours of the filing of the materials in controversy.

RULING

The procedural schedule for this case is set forth in Attachment A to this Ruling.

George Omas
Presiding Officer

PROCEDURAL SCHEDULE
POSTAL RATE AND FEE CHANGES
Docket No. R2005-1

April 8, 2005	Postal Service Request filed
May 5, 2005	Prehearing conference
June 10, 2005	Completion of discovery on direct case of the Postal Service — Group A witnesses
June 10, 2005	Identify expected amount of oral cross-examination. Report on availability. (Group A witnesses)
June 17, 2005	Completion of discovery on direct case of the Postal Service — Group B witnesses
June 17, 2005	Identify expected amount of oral cross-examination. Report on availability. (Group B witnesses)
June 27 — July 8, 2005	Hearings for cross-examination of the Postal Service's direct case (9:30 a.m. in the Commission hearing room)
July 14, 2005	Filing of the case-in-chief of each participant, including rebuttal to the Postal Service
August 5, 2005	Identify expected amount of oral cross-examination. Report on the availability of witnesses
August 5, 2005	Completion of discovery directed to intervenors and the OCA
August 22 — 26, 2005	Evidentiary hearings on the cases-in-chief of intervenors and the OCA (9:30 a.m. in the Commission hearing room)
August 23, 2005	Completion of discovery directed to the Service
August 30, 2005	Notice of intent to file additional testimony

September 8, 2005	Filing of evidence in rebuttal to the cases-in-chief of participants other than the Postal Service (no discovery permitted on this rebuttal evidence; only oral cross-examination)
September 14 — 16, 2005	Hearings on rebuttal to participants' direct evidence (9:30 a.m. in the Commission hearing room)
September 26, 2005	Filing of initial briefs**
October 3, 2005	Filing of reply briefs**
October 7, 2005	Oral argument (if requested)**

** If no third round of evidence, initial briefs due September 12, reply briefs September 19, oral argument September 23.