

ORDER NO. 1452

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

Before Commissioners:

George Omas, Chairman;
Dawn A. Tisdale, Vice Chairman;
Tony Hammond; and
Ruth Y. Goldway

Repositionable Notes Minor Classification
Changes

Docket No. MC2006-2

NOTICE AND ORDER CONCERNING POSTAL SERVICE
REQUEST FOR EXTENSION OF PROVISIONAL RATES
AND CLASSIFICATIONS FOR REPOSITIONAL NOTES

(Issued January 13, 2006)

Notice is hereby given that on January 12, 2006, the Postal Service filed a request with the Postal Rate Commission pursuant to section 3623 of the Postal Reorganization Act, 39 U.S.C. § 101 *et seq.*, for a recommended decision on its request for an extension of the current provisional Repositionable Notes (RPN) service.¹ The Postal Service denominates this request a minor classification change and seeks to have it considered under the Commission's rules for expedited minor classification cases (39 C.F.R. § 3001.69).

The Postal Service's extension request indicates that it had been finalizing a request for further testing of a modified RPN service that would address the suggestions made by the Commission in its Opinion in Docket No. MC2004-5. The request observes that on January 6, 2006, the Postal Service received a copy of the Commission-sponsored white paper addressing various issues raised by the RPN

¹ Request of the United States Postal Service for a Recommended Decision on Change of Expiration Date for Provisional Repositionable Notes Classifications and Rates, filed January 12, 2006.

service from an academic perspective. The request states that the Postal Service decided to delay finalizing its request for a modified RPN service in order to incorporate consideration of the white paper. The Postal Service explains its decision to incorporate consideration of the white paper in its request makes it impossible to process a request for testing of a modified RPN service prior to the scheduled expiration of the provisional RPN service on April 3, 2006. The Postal Service asks the Commission to approve an extension of that service in order to avoid disruption to customers that would be caused by termination of the provisional RPN service on April 3, 2006, pending consideration of the next phase of the service.

The Postal Services proposes that the status quo continue until a replacement provisional or permanent service is implemented, or, if no such service is implemented, three months after the Commission takes action on a Postal Service request to implement such a service. If the Postal Service does not file such a request, the proposal is that the provisional service expire on April 3, 2007. See page 2 and Attachment A of the Request. The request includes attachments and is supported by the testimony of witness Kirk Kaneer. It also includes a conditional motion for waiver of Rule 64 of our rules of practice, if material incorporated from Docket No. R2005-1 is not considered adequate to satisfy that rule. The request is on file in the Commission's docket room for inspection during regular business hours and is available on the Commission's website at www.prc.gov.

Proposed settlement procedures. The Postal Service requests that the Commission establish settlement procedures in this proceeding. It argues that settlement of issues surrounding its request is appropriate, since the purpose of the extension of the status quo is to allow a modified RPN service to reflect the white paper and the public dialogue that the white paper is intended to foster to be considered in designing the modified service.

The Commission will appoint Postal Service counsel to serve as settlement coordinator in this proceeding. In this capacity, counsel for the Postal Service shall report on the status of settlement discussions at the prehearing conference. The

Commission will make its hearing room available for settlement conferences at such times deemed necessary by the settlement coordinator. If someone intervenes after a settlement conference is held, the settlement coordinator could brief such person on the substance of the conference.

Further procedures. Rule 69b affords all interested parties 26 days after filing of the Postal Service's request (February 7, 2006) to intervene and respond to the Postal Service's proposal to have this request considered under the expedited procedures of Rule 69. On February 8, 2006, the Commission will determine if expedited Rule 69 procedures are appropriate. If the Commission determines that they are, intervenors will have until February 23, 2006, to state with specificity those issues of material fact, if any, that they contend require a hearing, the period that Rule 69b(h) allows. They may make their statement in writing, or orally at the prehearing conference, provisionally scheduled for February 23. If the Commission determines that hearings are warranted, they will commence on March 1, 2006, the period that Rule 69b(i) allows. If no hearing is necessary, a recommended decision will be issued promptly.

Public participation. In conformance with section 3624(a) of title 39, the Commission designates Shelley S. Dreifuss, director of the Commission's Office of the Consumer Advocate (OCA), to represent the interests of the general public in this proceeding. Pursuant to this designation, Ms. Dreifuss will direct the activities of Commission personnel assigned to assist her and, upon request, will supply their names for the record. Neither Ms. Dreifuss nor any of the assigned personnel will participate in or provide advice on any Commission decision in this proceeding.

It is ordered:

1. The Commission establishes Docket No. MC2006-2 to consider the Postal Service Request referred to in the body of this Order.
2. The Commission will act *en banc* in this proceeding.

3. Notices of intervention shall be filed no later than February 7, 2006.
4. Shelley S. Dreifuss, director of the Commission's Office of the Consumer Advocate, is designated to represent the interests of the general public.
5. Answers to the Postal Service's Conditional Motion for Waiver of the portions of rule 64 are due on February 7, 2006.
6. Postal Service counsel is appointed to serve as settlement coordinator in this proceeding. The Commission will make its hearing room available for settlement conferences at such times deemed necessary by the settlement coordinator.
7. A prehearing conference is provisionally scheduled for February 23, 2006, at 11:00 a.m., in the Commission's hearing room.
8. Participants who wish to request a hearing on the Postal Service's Request in this docket to extend its market test shall submit such a request, together with statements in conformance with 39 CFR § 3001.69b(h) on or before February 23, 2006.
9. The Secretary shall cause this Notice and Order to be published in the *Federal Register*.

By the Commission
(SEAL)

Steven W. Williams
Secretary