

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

MOTION OF THE UNITED STATES POSTAL SERVICE FOR ESTABLISHMENT OF
SETTLEMENT PROCEDURES FOR FOREVER STAMP PROPOSAL
(July 14, 2006)

The United States Postal Service hereby requests that the Commission establish settlement procedures for the consideration of a partial settlement of the Postal Service's Request in this docket. The settlement would pertain only to the Postal Service's proposal to establish a "Forever Stamp."

The Postal Service's testimony, filed May 3, 2006, included a proposal to establish a classification creating a Forever Stamp.¹ At the same time, the Postal Service moved for a partial waiver or suspension of the Commission's rules to permit the subsequent filing of additional testimony and information elaborating and supporting the Forever Stamp proposal.² At the Prehearing Conference, on June 16, 2006, the Presiding Officer announced that he was inclined to grant the Postal Service's motion, on the condition that participants be allowed an opportunity to explore late-filed materials, and that hearings could be scheduled for cross-examination, if needed, after the appearance of the Postal Service witnesses testifying on other issues. Tr. 1/44-45. Today, the Postal Service has

¹ Direct Testimony of Altaf H. Taufique on Behalf of the United States Postal Service, USPS-T-32, Docket No. R2006-1, at 26-27 (May 3, 2006).

² Motion of the United States Postal Service for Partial Waiver or Suspension of Commission Rules Specifying Materials to Be Filed in Support of Its Request For Changes in Postal Rates and Classifications, Docket No. R2006-1 (May 3, 2006).

filed supplemental testimony on the Forever Stamp, together with a library reference documenting market research supporting the proposal.³ The Office of the Consumer Advocate has also filed a library reference supporting the proposal (OCA-LR-1).

The Forever Stamp proposal would amend the Domestic Mail Classification Schedule (DMCS) to establish a non-denominated stamp that would represent postage for the first ounce of First-Class Mail letters. The stamp could be purchased at the rate recommended and approved in this docket for the first ounce of First-Class Mail letters, and would subsequently be sold at the prevailing rate for such letters at time of purchase. The Forever Stamp would constitute valid postage for the first ounce of single-piece First-Class Mail letters, even if the rate were to change.

Based on the positive public response to the Forever Stamp proposal, and discussions with participants in this docket, the Postal Service believes that the Forever Stamp is not likely to be controversial, and could be supported by a substantial majority of the parties. Consequently, the Postal Service believes that the Forever Stamp may be an excellent candidate for partial settlement of the Postal Service's Request. The only two parties responding to the Postal Service's motion for waiver or suspension have agreed that the proposal could be settled.⁴

Accordingly, the Postal Service respectfully requests that the Commission and the Presiding Officer agree to establish procedures to accommodate settlement of the Forever

³ Direct Testimony of Altaf H. Taufique on Behalf of the United States Postal Service, USPS-T-48 (July 14, 2006); Forever Stamp Market Research, USPS-LR-L-152.

⁴ Response of the Greeting Card Association in Support of Motion of the United States Postal Service for Partial Waiver or Suspension of Commission Rules Specifying Materials to Be Filed in Support of Its Request for Changes in Postal Rates and Classifications, Docket No. R2006-1, at 2 (May 12, 2006); Office of the Consumer Advocate Response in Support of Postal Service Motion for Partial Waiver, Docket No. R2006-1, at 2-3 (May 17, 2006)

Stamp proposal and designate the Postal Service as settlement coordinator. The Postal Service has today sent a letter to all representatives on the service list for this docket seeking input on the opportunity for settlement. At this time, it is not known whether a settlement conference should be convened, although the Postal Service is willing to conduct a conference, if needed. The Postal Service is willing to provide progress reports on settlement under a schedule established for that purpose.

The Presiding Officer should also keep in mind the possibility of settlement when scheduling discovery and hearings on the Postal Service's Forever Stamp testimony (USPS-T-48). The Postal Service will defer proposing a specific schedule, although it believes that no more than four weeks of discovery should be permitted, and possibly less, depending on the prospects for settling. Finally, the Postal Service proposes that the Presiding Officer establish a deadline, prior to the filing of cases-in-chief by the participants (September 6, 2006), for participants to give notice whether they intend to oppose the Forever Stamp proposal.

UNITED STATES POSTAL SERVICE

By its attorney:

Daniel J. Foucheaux, Jr.
Chief Counsel, Rates and Classifications

July 14, 2006
475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137