

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

RATE AND SERVICE CHANGES TO IMPLEMENT  
BASELINE NEGOTIATED SERVICE AGREEMENT  
WITH BANK OF AMERICA CORPORATION

Docket No. MC2007-1

**MOTION OF THE UNITED STATES POSTAL SERVICE FOR  
ESTABLISHMENT OF SETTLEMENT PROCEDURES**

(March 2, 2007)

The United States Postal Service hereby moves that the Commission establish settlement procedures for this filing. The Postal Service has determined that it would be in the public interest, and in accordance with applicable law, to implement the classifications, rates and fees contained in the Negotiated Service Agreement (NSA) with Bank of America Corporation (BAC), and submits that there is a possibility of settlement in this case.

The Bank of America NSA features performance-based incentives to encourage BAC to improve the address quality and mail processing performance of its mail. Such improvements are expected to reduce the cost to the Postal Service of processing Bank of America's First-Class Mail and Standard Mail. This NSA is presented as a baseline agreement because it is the first pure cost-savings NSA presented to the Commission for approval. Although novel in this respect, the Agreement is based on certain operational and worksharing activities analogous to those accepted by the Commission for more than twenty years as bases for rate discounts. The Postal Service submits that the relatively straightforward nature of the Bank of America NSA should result in an

expeditious and uncomplicated review. If disagreement arises over certain aspects of the Agreement, however, the extent of any such diverging views can be determined in the course of settlement discussions.

The Postal Service also moves that its counsel be appointed as settlement coordinator. If the motion is granted, the Postal Service will attempt to make arrangements with Commission staff to hold the first settlement conference at the PRC hearing room immediately after the prehearing conference scheduled for March 14, 2007.

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno  
Chief Counsel, Customer Programs

Frank R. Heselton  
Matthew J. Connolly

475 L'Enfant Plaza, S.W.  
Washington, D.C. 20260-1135  
(202) 268-8582; Fax -5418

## **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.

---

Matthew J. Connolly

475 L'Enfant Plaza, S.W.  
Washington, D.C. 20260-1135  
(202) 268-8582; Fax -5418  
March 2, 2007