

ORDER NO. 22

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

Before Commissioners:

Dan G. Blair, Chairman;
Dawn A. Tisdale, Vice Chairman;
Mark Acton; Ruth Y. Goldway; and
Tony L. Hammond

Premium Forwarding Service

Docket No. MC2007-3

NOTICE AND ORDER ON FILING OF REQUEST
FOR A RECOMMENDED DECISION ON
PREMIUM FORWARDING SERVICE

(Issued August 3, 2007)

On July 31, 2007, the Postal Service filed a request seeking a recommended decision approving a change in the Domestic Mail Classification Schedule (DMCS) making Premium Forwarding Service (PFS) permanent.¹ The request, which was filed pursuant to chapter 36 of title 39, United States Code, includes five attachments.² In support of the Request, the Postal Service has filed Direct Testimony of Laraine B. Hope (USPS-T-1), Abdulkadir M. Abdirahman (USPS-T-2) and Gregory Dawson (USPS-T-3).

¹ Request of the United States Postal Service for a Recommended Decision on Premium Forwarding Service, July 31, 2007 (Request).

² Attachment A contains the proposed Domestic Mail Classification Schedule language changes; Attachment B sets forth proposed Fee Schedule 937 for PFS; Attachment C is the Compliance Statement composed of responses to the Commission's filing requirements; Attachment D is an index of testimony; and Attachment E is the certification required by Commission rule 54(p).

For two years the Postal Service has been offering experimental PFS in accordance with the Commission's Recommended Decision Approving the Stipulation and Agreement in Docket No. MC2005-1 and the Governor's Decision of May 10, 2005, approving the recommendation. Based on the results of the experiment, the Postal Service has concluded that PFS is an attractive supplement to pre-existing options for customers who temporarily relocate. Request at 1-2.

The Postal Service concurrently filed a conditional motion for waiver of certain filing requirements.³ The Postal Service claims that its submissions comply with the Commission's filing requirements through incorporation by reference. It also acknowledges that it has supplemented materials developed for this request by incorporating documentation submitted by the Postal Service in the most recently concluded omnibus rate proceeding, Docket No. R2006-1. Accordingly, the Service requests a waiver of certain filing requirements pursuant to 39 CFR §§ 3001.22, 3001.54(r), and 3001.64(h)(3) if the Commission finds that materials incorporated from Docket No. R2006-1 are not sufficient. Motion for Waiver at 2-3.

The Postal Service also has filed United States Postal Service Request for Establishment of Settlement Procedures, August 2, 2007 (Settlement Request). The Postal Service contends that the testimony of its three witnesses in support of the Settlement Request is straightforward and the proposal to make PFS permanent would not change the terms of the existing service or its prices. Further, it maintains that PFS customer benefits and minor financial impact may increase the likelihood of settlement. *Id.* at 1. Thus, the Postal Service requests the Commission's assistance in establishing settlement procedures for this proceeding. *Id.* at 3.

The Request, accompanying testimony and other related material can be accessed electronically, via the Internet, on the Commission's web site (<http://www.prc.gov>).

³ Statement of the United States Postal Service Concerning Compliance with Filing Requirements and Conditional Motion for Waiver, July 31, 2007 (Motion for Waiver).

I. Proposed Premium Forwarding Service

The Postal Service proposes to make Premium Forwarding Service permanent. PFS is intended for residential customers. When residential customers temporarily relocate to another domestic address this service reships all of their mail once a week. After a customer enrolls in PFS and his or her application is accepted, the Postal Service bundles and reships the mail to a temporary address. The customer's mail is reshipped via Priority Mail in a Priority Mail package. PFS is available for a period of at least two weeks and no longer than one year (per application). This service also allows customers to specify whether to include the mail of the entire household or merely an individual addressee. *Id.* at 2. The Postal Service proposes that the existing application and weekly prices be retained.

The fee for mail reshipped by PFS includes a \$10.00 enrollment fee for the service and a weekly reshipment fee of \$2.85. The customer also will be charged the Priority Mail postage appropriate for a 3-pound parcel to zone 6, currently \$9.10. Altogether, customers will pay \$11.95 for the weekly reshipment of their mail.

The Postal Service asserts that permanent PFS would advance the general policies of the Postal Reorganization Act by reducing the time between entry of mail and recipients' access to its valuable contents.

II. Commission's Response

Intervention. Those wishing to be heard in this matter are directed to file a notice of intervention on or before August 21, 2007. The notice of intervention shall be filed using the Internet (Filing Online) at the Commission's web site (<http://www.prc.gov>), unless a waiver is obtained for hardcopy filing. 39 CFR §§ 3001.9(a) and 10(a).

Settlement. The Commission will authorize settlement negotiations in this proceeding and appoint Postal Service counsel as settlement coordinator. In this capacity, Postal Service counsel shall file periodic reports on the status of settlement discussions. The Commission authorizes the settlement coordinator to hold a

settlement conference, and will make its hearing room available for this purpose upon request. Authorization of settlement discussions does not constitute a finding on the necessity of hearings in this case.

Prehearing conference. A prehearing conference will be held August 28, 2007, at 10:00 a.m. in the Commission's hearing room. Participants shall be prepared to identify any issues(s) that would indicate a need to schedule a hearing, along with other matters referred to in this order.

Conditional Motion for Waiver. Participants may comment on the Postal Service's conditional motion to waive certain filing requirements. Responses to the Postal Service's Motion for Waiver are due on or before August 22, 2007.

Representation of the general public. In conformance with section 3624(a) of title 39, the Commission designates Kenneth E. Richardson, Acting 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, Mr. Richardson will direct the activities of Commission personnel assigned to assist him and, upon request, will supply their names for the record. Neither Mr. Richardson 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. MC2007-3, Premium Forwarding Service, to consider the Postal Service Request referred to in the body of this order.
2. The Commission will sit *en banc* for this proceeding.

3. Postal Service counsel is appointed to serve as settlement coordinator in this proceeding.
4. Kenneth E. Richardson, Acting Director of the Commission's Office of the Consumer Advocate, is designated to represent the interests of the general public.
5. The deadline for filing notices of intervention is August 21, 2007.
6. A prehearing conference will be held August 28, 2007 at 10:00 a.m. in the Commission's hearing room.
7. Responses to the Postal Service's Conditional Motion for Waiver of certain filing requirements are due on or before August 22, 2007.
8. The Secretary shall arrange for publication of this notice and order in the *Federal Register*.

By the Commission.

Steven W. Williams
Secretary