

DOCKET SECTION

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

RECEIVED
APR 22 4 03 PM '99
POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

RENEWAL OF EXPERIMENTAL CLASSIFICATION AND FEES
FOR WEIGHT-AVERAGED NONLETTER-SIZE
BUSINESS REPLY MAIL, 1999

Docket No. MC99-1

STATUS REPORT CONCERNING SETTLEMENT NEGOTIATIONS
(April 22, 1999)

The United States Postal Service hereby provides this status report to the Commission concerning efforts by the parties to reach a negotiated settlement of issues raised by the request in this proceeding.

A technical conference was convened on April 20, 1999, at Postal Service headquarters, for the purpose of permitting the parties and the Commission's technical staff to informally examine the testimony of Docket No. MC99-2 witness Leslie Schenk (USPS-T-3) and to ask questions seeking clarification of her testimony and confidential workpaper. The conference was very constructive, particularly in its identification of several minor errata in the confidential workpaper. These errata apparently have a minor ripple effect on certain Docket No. MC99-1 interrogatory responses and the cost estimates which underlie the permanent fee proposals of Docket No. MC99-2 witness James Kiefer (USPS-T-4).¹ The Postal Service is working diligently to be able to file errata on Monday, March 26, 1999, which reflect corrections to the workpaper and any

¹ There is no indication that the errata will affect witness Kiefer's Docket No. MC99-2 permanent fee proposals.

ripple effects in the interrogatory responses in Docket No. MC99-1 and in Docket No. MC99-2 testimonies USPS-T-3 and USPS-T-4.

At the conclusion of the technical conference, the parties resumed the settlement negotiations which had begun on April 6, 1999. These discussions also were very constructive. *As a consequence, a Revised Stipulation and Agreement has been drafted and is being circulated to all parties today via facsimile and Priority Mail. After review of the aforementioned errata next week, it is expected that the parties will give their undivided attention to consideration of the Revised Stipulation and Agreement.*

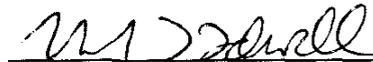
The prevailing interest in settlement could result in an agreement among all or most of the parties imminently. Should that occur, the Postal Service, on behalf of the settlement parties, will file a motion requesting that the Commission issue a decision recommending adoption of the experimental nonletter-size weight averaging classification and fees referenced in the Revised Stipulation and Agreement.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking



Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
April 22, 1999
(Tel: (202) 268-2998 / FAX: -5402)

CERTIFICATE OF SERVICE

I hereby certify that a copy of this pleading has been mailed today to each party of record in this proceeding in accordance with Rule 12 of the Commission's Rules of Practice and Procedure.



Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
April 22, 1999
(Tel: (202) 268-2998 / FAX: -5402)