

new rates or surcharges are proposed for this matter. The proposal entails minor changes to the DMCS and the addition of new footnotes to Standard Mail Rate Schedules 321A and 323A. The changes would not have a significant effect on the Postal Service's overall volumes, revenues and costs. *Id.* at 1. Moreover, the Service asserts that there is a strong possibility of settlement, given indications from potential participants. *Id.* at 2. It also notes that because the proposal is likely to appeal to highly targeted mailings, it should have no adverse effect on other mailers or competitors. *Ibid.*

B. Motion for Waiver

The Postal Service seeks waiver, in whole or part, of several rules that call for detailed data and information. 39 CFR 3001.64(b)(3); 39 CFR 3001.64(d) and 39 CFR 3001.69a(a)(3).³ In general, it asserts that waivers are appropriate, in the public interest, and not prejudicial to the interests of any participant because the classification changes in issue are minor in nature and will not have a substantial effect on the volume, revenue and cost estimates, or on the relationships of mail. Moreover, the Service says production of the information would be unduly burdensome. Motion of United States Postal Service for Waiver, (Postal Service Waiver Motion), March 14, 2003, at 1 and 3.

Rule 64(b)(3)—information on the economic substitutability between various classes and subclasses of mail, including a description of cross-elasticity of demand between various classes of mail.

The Service notes that economic substitutability of demand would not be expected to change under this proposal, particularly since potential users would only be able to enter CMM into the basic nonletter category tier in Standard Mail. Accordingly, it asserts the data this section seeks are not necessary or useful in considering the Service's proposal, and waiver will not impair the ability of the Commission or any participant to evaluate the Request. Postal Service Waiver Motion at 2.

Rule 64(d)—effects on cost assignments, total costs, and total revenues and 69a(a)(3)—a detailed estimate of the overall impact of the requested change in mail classification on postal costs and revenues, mail users, and competitors of the Postal Service.

The Service invokes the explanations provided in the testimony of its two

witnesses as to why the proposal will not result in significant changes to postal cost and revenue relationships. *Id.* at 3. It says the cost of conducting detailed analyses is not justified by the limited scope of the proposal and the small number of users likely to avail themselves of these new classification provisions. *Ibid.* It also says that given the expected insignificant near-term effect on costs and revenue, waiver of section 64(d) will not impair the ability of the Commission or prospective participants to evaluate the Service's presentation. *Ibid.*

V. Initial Procedural Steps

Although some aspects of the Service's proposal necessarily await an opportunity for interested parties to assess the filing, the Commission agrees with the Service that several steps can be taken now to expedite this case.

Dates for Intervention, Statements, and Responses

The Commission prefers that those wishing to be heard in this matter submit a notice of intervention on or before April 3, 2003. Notices should indicate whether participation will be on a full or limited basis and state whether a hearing is requested. The Commission also prefers that responses to the Service's Request for Expedition and to the Postal Service Waiver Motion be filed no later than April 3, 2003.⁴

Settlement Matters and Prehearing Conference

Subject to reconsideration if responses from participants so warrant, the Commission authorizes settlement proceedings in this case. It appoints Postal Service counsel to serve as settlement coordinator and to schedule settlement conferences as deemed appropriate. A settlement conference held before the prehearing conference would facilitate prompt action on the Request. Participants and the Commission are to be provided reasonable notice of such conferences. The Postal Service is also directed to file periodic status reports with the Commission. A prehearing conference is scheduled for April 9, 2003, at 10 a.m. in the Commission's hearing room. Participants should be prepared to discuss matters pertinent to the Service's proposal, especially the need for a hearing, and the request for expedition, including the Service's suggestions related to discovery.

⁴ Interventions as of right, requests for a hearing and responses to the Service's request for expedition will be accepted until the April 9, 2003, prehearing conference.

Representation of the General Public

In conformance with 39 U.S.C. 3624(a), 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. Pursuant to this designation, Ms. Dreifuss will direct the activities of Commission personnel assigned to assist her and, when requested, shall provide 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. Service of documents on the OCA shall conform to Commission rules.

Ordering Paragraphs

It is ordered:

1. The Commission will sit *en banc* in this proceeding.

2. Participants are encouraged to file notices of intervention, respond to the Request for Expedition and Establishment of Settlement Procedures, respond to the Postal Service's Motion for Waiver, and submit a request for a hearing no later than April 3, 2003.

3. Shelley S. Dreifuss, Director of the Commission's Office of the Consumer Advocate, is designated to represent the interests of the general public.

4. The Commission authorizes settlement discussions in this proceeding.

5. Postal Service counsel is appointed to act as settlement coordinator in this proceeding, subject to reconsideration.

6. Settlement conferences are authorized to be held at time, dates and places arranged by the settlement coordinator.

7. The settlement coordinator shall file periodic status reports with the Commission.

8. A prehearing conference is scheduled for April 9, 2003, at 10 a.m. in the Commission's hearing room.

9. The Secretary shall cause this notice and order to be published in the **Federal Register**.

By the Commission.

Issued: March 19, 2003.

Steven W. Williams,
Secretary.

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POSTAL RATE COMMISSION

[Order No. 1364]

Petition Seeking a Proceeding— Additional Comments

AGENCY: Postal Rate Commission.

³ The Service seeks partial waiver for rule 69a(a)(3).