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

POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY  
POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

**UNITED STATES POSTAL SERVICE REQUEST FOR EXPEDITION  
(September 24, 2001)**

In authorizing the initiation of proceedings under 39 U.S.C. § 3622 in this case, the Board of Governors has directed Postal Service management to seek maximum expedition in the litigation of its Request for a Recommended Decision. The Board believes that, in current circumstances, both the Postal Service and the mailers will benefit from the earliest possible determination of the effective date of proposed rate and classification changes.

In this regard, the Postal Service fully appreciates the time demands imposed by the Commission's responsibilities under the Act, and acknowledges the Commission's substantial prerogatives in controlling the course of its rate and classification proceedings. We further emphasize that we would not advocate any schedule that would have the practical effect of denying the Postal Service or any other participant the opportunity to be heard under the requirements of due process. Most importantly, we would not seek to limit the Commission's effectiveness in carrying out its important functions by depriving it of time needed to fully evaluate the record and formulate its recommendations.

Nevertheless, we note that, under the Act, as amended, no minimum duration is established for the Commission's proceedings. While, in most prior omnibus rate

cases, the Commission has found it necessary to utilize the maximum ten months specified in the Act, there have been exceptions.<sup>1</sup> The Postal Service believes, furthermore, that significant potential exists for streamlining these proceedings, consistent with due process and the need to explore fully the Postal Service's proposals.

*In this case, accelerating the Commission's Recommended Decision would help avoid disadvantages associated with certain implementation options and give the Board more practical flexibility in setting the effective date for the changes.* Ten months from the date of filing the Postal Service's Request will expire on July 24, 2002. Assuming the full ten months were taken to litigate the case, and a moderate amount of time (two to three weeks) were required for the Governors to evaluate and act on the Commission's recommendations, less than two months would be left to accommodate an implementation date that conformed to the test year assumptions in the case. Otherwise, implementation would have to take place after the start of the fiscal test year (October 1), and the financial goals underlying the Postal Service's request could be substantially undermined by loss of expected revenue.

An early Recommended Decision would also facilitate an orderly transition to the new rates and classifications, especially if the Postal Service were not forced to sacrifice implementation time in order to avoid losing revenue. In the complex environments in which many industries that rely heavily on mail operate today, two months is commonly regarded as the bare minimum time needed to prepare for global

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<sup>1</sup> Docket No. R76-1 lasted approximately 9 ½ months. Docket No. R94-1 lasted approximately 8 ½ months.

replacement of postal rate schedules, as well as the introduction of significant classification changes. Rate schedules and the accompanying mail preparation requirements increasingly provide customers more options and more details to consider. Accordingly, more time is needed to reprogram computers and make other preparations for the changes. Furthermore, given the timing of the Postal Service's Request, implementation is likely to fall within the heaviest mailing season of the year. While the Postal Service would normally always prefer not to raise rates during that time, we must prepare for the circumstance that the Postal Service's financial condition might leave the Board of Governors with no other prudent option than to implement in the Fall. In that event, both the mailers and the Postal Service will benefit from as much advance notice of specific changes as possible, in order to plan mailings and adjust for the changes.

Even a one-month advance of the Commission's Recommended Decision could yield a substantial benefit. If the Commission were to issue its recommendations no later than June 24, 2002, that would create significantly more time for advance planning and for a more orderly transition to the new rates and classifications. In the event that economic conditions then prevailing require the Postal Service to implement as quickly as possible, both the Service and the mailers would stand to gain from a Recommended Decision issued in June.

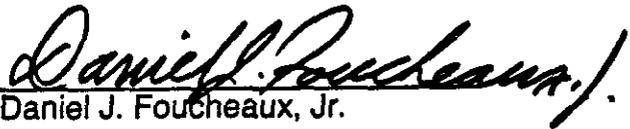
We must emphasize that the Board of Governors will reserve judgment on the timing of implementation until the Commission issues its Recommended Decision. In the past, it has been feasible and responsible for the Board to establish an effective date for new rates that fell significantly after the Governors' Decision acting on the

Commission's recommendations. In favorable economic circumstances, that would be the preferred result. An early decision, however, would give the Board the flexibility to adapt to less favorable conditions. In light of the uncertainties of the type discussed in the Postal Service's testimony in this filing, both the Commission and the Postal Service would benefit from an early Recommended Decision.

Respectfully submitted,

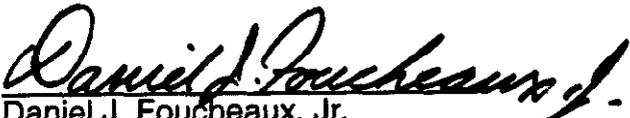
UNITED STATES POSTAL SERVICE

By its attorney:

  
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**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.

  
Daniel J. Foucheaux, Jr.

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September 24, 2001