

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

Before Commissioners: George Omas, Chairman;
 Tony Hammond, Vice Chairman;
 Dana B. Covington, Sr.; and
 Ruth Y. Goldway

International Mail Report

Docket No. IM2004-1

SEVENTH NOTICE OF INTERNATIONAL MAIL
DATA REQUIREMENTS FOR FY 2003

(Issued April 27, 2004)

In order to help the Commission prepare the report required by 39 U.S.C. § 3663, on the costs, volumes, and revenues of the Postal Service's international mail services, the Service is requested to provide the following information on or before May 6, 2004.

1. This question concerns the Postal Service's response to the Fourth Notice (Order No. 1401). Attachment 1 to that response shows attributable costs for Air Parcel Post from Canada. Dividing the sum of the IOCS-related costs for this category and country by the volume figure from "File: Inbound Calcs, Sheet: VOL" yields a very high attributable cost per piece. Please discuss.
2. "File: Input, sheet: CP Bi-lateral Rates CY2" shows that the U.S. Postal Service has entered into bilateral agreements with 27 countries for Air Parcel Post inward land charges.

- a. What year did the Postal Service first enter into these bilateral agreements?
- b. What is the duration of these agreements?
- c. Do they all begin and end at the same time?
- d. Please provide a list of the beginning and ending dates for these agreements by country.
- e. If these contracts cover more than one year, do they include automatic rate escalators to offset projected cost increases? If not, why not? Include in any discussion the increases in unit attributable costs that inbound Air Parcel Post has experienced in the last three years.
- f. Why are there no similar agreements for Surface Parcel Post?
- g. Please provide the weighted direct tallies for these countries in aggregate, excluding Canada, for Air Parcel Post for each of the IOCS-related cost segments and components reported in the Postal Service's response to the Fourth Notice (Order No. 1401).

It is ordered:

The Postal Service is directed to provide the items in the body of this Order on or before May 6, 2004.

By the Commission
(S E A L)

Steven W. Williams
Secretary