

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

MARKET TEST OF EXPERIMENTAL PRODUCT-  
GLOBAL eCOMMERCE MARKETPLACE (GEM)  
NON-PUBLISHED RATES

Docket No.  
MT2016-1

**UNITED STATES POSTAL SERVICE MOTION FOR CLARIFICATION OF ORDER  
NO. 3319, OR, IN THE ALTERNATIVE, FOR EXTENSION OF MARKET TEST TIME  
PERIOD**  
(August 22, 2017)

The United States Postal Service (“Postal Service”) respectfully requests that the Postal Regulatory Commission (“Commission”) clarify Order No. 3319 to acknowledge that customer agreements executed in the second year of the Global eCommerce Marketplace (GeM) Merchant Solution Market Test (“GeM Market Test”) may have one-year terms that extend after the end of the second year of the test, and to enable full performance of agreements executed in the second year. In the event the Commission is not in accord with this interpretation of Order No. 3319, the Postal Service respectfully requests that the Commission extend the GeM Market Test for an additional twelve months, pursuant to 39 U.S.C. § 3641(d)(2), to enable the continuation of agreements executed in the second year of the two-year period.

As background, the Commission authorized the GeM Market test through Order No. 3319<sup>1</sup> issued on May 25, 2016, and on June 8, 2016, the Postal Service identified an

---

<sup>1</sup> Order No. 3319, Order Authorizing Market Test of Global Ecommerce Marketplace (GEM) Merchant, Docket No. MT2016-1 (May 25, 2016).

effective date of June 27, 2016 for the GeM Market Test.<sup>2</sup> The Postal Service has filed four quarterly data collection reports.<sup>3</sup>

For the Postal Service to achieve the purpose of the GeM Market Test, the evaluation of the potential GeM Merchant Solution product, it is essential that each contract executed in the second year of the GeM Market Test continue in effect until full performance of the contract is complete, even if the term of the contract extends beyond the original two-year period of the GeM Market Test. Previously, in Docket No. MT2013-2, the Commission acknowledged the benefit of the third-year extension to customers and the Postal Service. In explaining its extension of the market test at issue in Docket No. MT2013-2, the Commission stated:

The Commission finds that an extension of the IMRS-NPR market test is “necessary in order to determine the feasibility or desirability” of the experimental product. The extension is limited to the continuation of one-year agreements executed in the second year. No new contracts would be executed during the third year of the market test. Granting the extension now will eliminate any uncertainty about second-year contracts’ terms, benefitting mailers and the Postal Service. The longer term should also prove useful in assessing the demand for the experimental product. Lastly, as the Postal Service points out, denying the extension may pose practical problems for the Postal Service and the Commission should the Postal Service request that IMRS-NPR become a permanent product.<sup>4</sup>

The Commission’s statements in Order No. 1806 in Docket No. MT2013-2 are consistent with the Postal Service’s effort to secure clarification of Order No. 3319 and extension of the GeM Market Test. Like the market test under consideration in Docket No. MT2013-2, the Postal Service seeks to confirm that customer agreements executed in the second year of the GeM Market test may continue for full one year terms into the third year.

---

<sup>2</sup> United States Postal Service Response to Order No. 3319 Concerning Effective Date of GeM Merchant Solution Market Test, Docket No. MT2016-1 (June 8, 2016).

<sup>3</sup> United States Postal Service Quarterly Data Collection Report, Docket No. MT2016-1 (Aug. 9, 2017); United States Postal Service Quarterly Data Collection Report, Docket No. MT2016-1 (May 8, 2017); United States Postal Service Quarterly Data Collection Report, Docket No. MT2016-1 (Feb. 8, 2017); United States Postal Service Quarterly Data Collection Report, Docket No. MT2016-1 (Dec. 8, 2016).

<sup>4</sup> Order No. 1806, Order Authorizing Market Test to Proceed and Granting Extension, Docket No. MT2013-2, at 9 (Aug. 12, 2013).

In the event that the Commission is not in accord with this approach, the Postal Service respectfully requests that the Commission exercise its authority under 39 U.S.C. § 3641(d)(2) to extend the GeM Merchant Solution market test for an additional twelve months and enable the continuation of agreements executed in the second year of the two-year period. This extension is in the public interest because it will benefit both customers and the Postal Service by eliminating uncertainty regarding the terms of customer agreements entered in the second year of the GeM Market Test, and by providing additional time necessary for the Postal Service to more fully assess the demand for the GeM Market Solution product.

For the reasons stated above, the Postal Service respectfully requests that the Commission clarify that agreements executed in the second year will continue in effect during the third year until their full performance or, in the alternative, grant its motion for the one-year extension of the GeM Market Test for agreements executed in the second year.

Respectfully submitted,

UNITED STATES POSTAL SERVICE  
By its attorneys:

Anthony F. Alverno  
Chief Counsel, Global Business & Service  
Development

James M. Mecone

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1135  
(202) 268-6858  
James.M.Mecone@usps.gov