

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

Competitive Product Prices
Inbound Competitive Multi-Service Agreements with
Foreign Postal Operators
Interconnect Remuneration Agreement – United States
Postal Service and Specified Postal Operators (MC2010-34)
Negotiated Service Agreements

Docket No. CP2020-141

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE NOTICE OF MODIFICATIONS TO INBOUND COMPETITIVE
MULTI-SERVICE IRA-USPS AGREEMENT

(December 28, 2020)

I. Introduction

The Public Representative hereby provides comments pursuant to a Commission Notice.¹ In that Notice, the Commission invited comments from interested persons, including the undersigned Public Representative, on the Postal Service's notice of two modifications to the competitive multi-product "Interconnect Remuneration Agreement USPS and Specified Postal Operators" (IRA-USPS Agreement) that is included within the Inbound Competitive Multi-Service Agreement with Foreign Postal Operators 1 product.²

The first modification to the IRA-USPS Agreement modifies the Link-Specific rates applicable to the Postal Service and this counterparty-FPO in sections 1.1 and 2.2.2 of Link-Specific Annex 2 – Appendix 1 of the IRA-USPS Agreement. PS Notice at

¹ PRC Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, December 17, 2020. (Notice).

² Notice of the United States Postal Service of Filing Modification One to International Priority Airmail, Commercial ePacket, Priority Mail Express International, Priority Mail International & First-Class Package International Service Contract 2 Negotiated Service Agreement, December 16, 2020 (PS Notice).

2. The second modification adds a paragraph to Annex 2, Section 3.2 of the IRA-USPS Agreement that relates to a surcharge for a specific type of product covered by the agreement. *Id.*

The Commission issued CHIR. 2, to clarify details in the Postal Service's workpapers³. Responses are due December 28, and have not yet been filed by the Postal Service.

II. Comments

Pursuant to 39 U.S.C. § 3633(a), the Postal Service's competitive prices must not result in the subsidization of competitive products by market dominant products; must ensure that each competitive product covers its attributable costs; and, must ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service.

The Public Representative has reviewed the proposed modification, and the supporting financial documentation filed under seal. She also considered the questions posed by the Commission in CHIR 2. Based upon that review, the Public Representative finds that the proposed modifications should allow the agreement to continue to meet the requirements of 39 U.S.C. § 3633(a). Although the Public Representative is unable to review the Postal Service's CHIR 2 responses, the available information is adequate to make a recommendation regarding the likelihood that the § 3633(a) will be met. Therefore, the Public Representative supports approval of the modified agreement.

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

Katalin Clendenin

³ Chairman's Information Request No. 2 and Notice of Filing Under Seal, December 23, 2020 (CHIR 2).

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