

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

Removal From the Competitive Product List
Parcel Return Service

Docket No. MC2022-95

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued September 1, 2022)

To clarify the Postal Service's request to remove Parcel Return Service from the competitive product list, filed August 12, 2022,¹ the Postal Service is requested to provide written responses to the following questions. The responses should be provided as soon as they are developed, but no later than September 8, 2022.

The questions are derived from a motion filed by the Public Representative for issuance of an information request.² The Public Representative asserts that the proposed "questions are meant to help the Commission and interested parties present constructive comments and views concerning the proposal in this proceeding." PR Motion at 1. The questions are asked with minor editorial changes for clarity. In addition, subpart 1.a. is added.

1. The Postal Service states that three customers currently utilize the competitive Parcel Return Service at published rates which the Postal Service proposes to eliminate from its Competitive Product List.
 - a. Please identify the following regarding the three customers currently using competitive Parcel Return Service at published rates:

¹ USPS Request to Remove Parcel Return Service from the Competitive Product List, August 12, 2022 (Request).

² Public Representative Motion for Issuance of Information Request, August 29, 2022 (PR Motion).

- i. The name of each customer;
 - ii. The industry of each customer;
 - iii. Whether the Postal Service views each customer as a small, medium, or large business and the basis for this view (e.g., number of employees, annual revenue);
 - iv. The geographic location(s) of each customer's headquarters and operations;
 - v. The extent to which each customer uses other Postal Service return options; and
 - vi. The extent to which each customer uses negotiated service agreements (NSAs) (whether related to returns or otherwise).
 - b. Has the Postal Service obtained the views of the three customers using Parcel Return Service at published rates regarding the "appropriateness of the proposed modification" to eliminate Parcel Return Service from the Competitive Product List?
 - c. Has the Postal Service obtained the views of any other customers that have used Parcel Return Service at published rates during fiscal year (FY) 2022 or FY 2021 regarding the "appropriateness of the proposed modification" to eliminate Parcel Return Service from the Competitive Product List?
 - d. If any views requested in b. or c. above have been obtained by the Postal Service, please provide the information the Postal Service has obtained regarding the proposed modification to eliminate Parcel Return Service from the Competitive Product List.
2. For each fiscal year between FY 2018 through FY 2022, how many customers have utilized Parcel Return Service at published competitive rates?

3. For each fiscal year between FY 2018 through FY 2022, please provide the volumes and revenue associated with Parcel Return Service at published competitive rates.
4. Has the Postal Service negotiated unsuccessfully for a Parcel Return Service NSA in FY 2022 with any of the three customers currently utilizing Parcel Return Service at published competitive rates? If so, please explain.
5. Has the Postal Service negotiated unsuccessfully for a Parcel Return Service NSA in FY 2022 with any customers or potential customers other than the three customers currently utilizing Parcel Return Service at published competitive rates? If so, please explain.
6. The Annual Compliance Determination for FY 2021 indicates there were six NSAs for Parcel Return Service and seven such agreements for Parcel Select & Parcel Return Service, and the Annual Compliance Determination for FY 2020 indicates there were seven NSAs for Parcel Return Service and six for Parcel Select & Parcel Return Service.³ Please provide the comparable number of NSAs in FY 2022 to date and the volumes and revenue associated with those NSAs.
7. Please refer to the Postal Service’s statement in its Statement of Supporting Justification that elimination of Parcel Return Service from the competitive product list will “minimize customer confusion.” Request, Attachment B at 1, section a.
 - a. Please explain all bases for the Postal Service’s statement.
 - b. Please explain the source of the customer confusion.

³ See Docket No. ACR2021, *Annual Compliance Determination*, March 29, 2022, Table IV-1; Docket No. ACR2020, *Annual Compliance Determination*, March 29, 2021, Table IV-1.

8. If the complexity of the competitive Parcel Return Service published rates has been a source of customer confusion, please explain why a less detailed rate schedule structured like the market dominant rate schedule for Ancillary Service, Bulk Parcel Return Service, MCS Section 1504.4, would not satisfactorily reduce or eliminate the customer confusion.
9. The Postal Service Request indicates that it intends to continue to offer competitive Parcel Return Service Product to customers via NSAs. Request at 1. Please explain why the competitive Product List in the Mail Classification Schedule (MCS) should not continue to include competitive Parcel Return Service as a Product offering in accordance with the Commission's regulations at 39 C.F.R. § 3040.101 *et seq.*, with an indication the Product is available through NSAs.
10. Please confirm that, if the Postal Service's Request in this proceeding is granted, and if a potential customer is unable to reach agreement with the Postal Service for an NSA on the price and conditions of service for competitive Parcel Return Service, the potential customer would not otherwise have access to the Postal Service's competitive Parcel Return Service.
11. If Parcel Return Service is removed from the MCS as a Product, please explain how a new customer would be expected to be assured that competitive Parcel Return Service is an available Product through an NSA and learn the terms and conditions of such Product.
12. If Parcel Return Service is removed from the MCS as a Product, please explain whether and how the Postal Service would report Parcel Return Service data to the Commission in its Annual Compliance Report.

13. If competitive Parcel Return Service is removed from the MCS as a Product, what would prevent the Postal Service from discontinuing offering that product through an NSA without further notifying the Commission?

By the Chairman.

Michael Kubayanda