

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

COMPETITIVE PRODUCT PRICES  
PARCEL SELECT & PARCEL RETURN SERVICE  
PARCEL SELECT & PARCEL RETURN SERVICE CONTRACT 4

Docket No. MC2012-25

COMPETITIVE PRODUCT PRICES  
PARCEL SELECT & PARCEL RETURN SERVICE CONTRACT 4  
(MC2012-25)  
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2012-33

**RESPONSES OF THE UNITED STATES POSTAL SERVICE TO  
CHAIRMAN'S INFORMATION REQUEST NO. 1**  
(July 3, 2012)

The United States Postal Service hereby provides its responses to Chairman's Information Request No. 1, which was issued on June 28, 2012. Responses were requested no later than July 3, 2012. Each question is reprinted verbatim and is followed by the Postal Service's response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE  
By its attorneys:

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July 3, 2012

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 1**

1. The following questions refer to Attachment B, Shipping Services Contract, Section I, Terms.
  - a. The contract states that “[t]his contract applies to Customer’s returns packages via Parcel Select and Parcel Return Service...” Please explain how the customer will use both Parcel Select and Parcel Return Service for its returns packages.
  - b. In Section I(D), the contract describes the customer’s package characteristics. Please explain if the description refers to incoming packages to the customer’s facility or outgoing packages from the customer’s facility.

**RESPONSE:**

(a-b). The instant contract involves packages which are returned to the customer’s facility. The return service provided to the customer under this contract shares the “first-mile” acceptance, mail processing, and transportation elements of the Parcel Return Service (PRS) product until each package reaches the local NDC, and then continues on the NDC network in the same way as the Parcel Select (PS) Nonpresort product. Therefore, the cost analysis for the instant contract incorporates cost elements from both products.<sup>1</sup> The use of the term “Parcel Select and Parcel Return Service” in the contract is a reference to the hybrid nature of this service.

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<sup>1</sup> See ACR2011, USPS-FY11-NP15, USPS-FY11-NP16 and USPS-FY11-NP27.

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2. Please identify the percentage of the customer's contract pieces that are expected to use the Parcel Select product and the percentage that are expected to use the Parcel Return Service product.

**RESPONSE:**

100 percent of the customer's contract pieces will be returns to the customer's facility; as discussed in response to Question 1, each contract piece will be processed on a hybrid path, utilizing the processing operations for both the Parcel Return Service product and the Parcel Select product.