

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Market Dominant Product Prices
Bilateral Agreement Between United States Postal
Service and Singapore Post Limited (MC2010-35)
Negotiated Service Agreement

Docket No. R2013-8

PUBLIC REPRESENTATIVE COMMENTS

(June 14, 2013)

I. INTRODUCTION

The Public Representative hereby provides comments pursuant to Order No. 1741.¹ In that Order, the Commission established the above referenced docket to receive comments on the Postal Service's notice of a modification to a bilateral agreement with Singapore Post Limited (Modified Singapore Post Agreement).²

In Order No. 995, the Commission determined that a bilateral agreement with Singapore Post Limited should be included in the Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 (MC2010-35, R2010-5, R2010-6) product.³ The Modified Singapore Post Agreement extends the agreement until March 31, 2014, and revises the rates listed in Annex 1 of the agreement. If approved, the

¹ Notice Concerning Bilateral Agreement with Singapore Post Limited, June 7, 2013 (Order No. 1741).

² Notice of United States Postal Service of Filing Additional Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 Negotiated Service Agreement (With Singapore Post Limited), June 4, 2013 (Notice).

³ See Docket No. R2012-1, Order No. 995, Order Approving Rate Adjustment for Singapore Post-United States Postal Service Letter Post Bilateral Agreement Negotiated Service Agreement, November 23, 2011 (Singapore Post Agreement). The Singapore Post Agreement concerns inbound Letter Post small packets with delivery confirmation scanning.

Modified Singapore Post Agreement would supersede a recently-approved extension of the Singapore Post Agreement to July 31, 2013.⁴

The Postal Service asserts that the Modified Singapore Post Agreement is functionally equivalent to the existing agreements within the Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 product, and requests that the Commission include the Modified Singapore Post Agreement within the same product.

II. COMMENTS

The Public Representative has reviewed the Modified Singapore Post Agreement and its accompanying financial workpapers that were filed under seal. Based upon that review, the Public Representative concludes that the Modified Singapore Post Agreement is consistent with the criteria in 39 U.S.C. § 3622(c)(10). In addition, the Public Representative concludes that the Modified Singapore Post Agreement is functionally equivalent to the agreements within the Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 product.

Statutory Criteria. Under 39 U.S.C. § 3622(c)(10), the criteria for the Commission's review of the Modified Singapore Post Agreement are whether the agreement: (1) improves the net financial position of the Postal Service or enhances the performance of operational functions; (2) will not cause unreasonable harm to the marketplace; and (3) will be available on public and reasonable terms to similarly situated mailers. With respect to criterion (1), the rates under the Modified Singapore Post Agreement should generate more contribution for the Postal Service than the applicable UPU terminal dues rates that would apply absent a bilateral agreement.⁵ Consequently, the rates should improve the net financial position of the Postal Service. The Modified Singapore Post Agreement should also continue to make improvements in

⁴ See Docket No. R2013-5, Order No. 1721, Order Granting Motion for Temporary Relief, May 17, 2013.

⁵ See 2008 UPU Convention, Article 28, which shows the applicable CY 2013 rates, and 2012 UPU Convention, Article 30, which shows the applicable CY 2014 rates.

the operational performance of the Postal Service.⁶ Notice at 5. With respect to criteria (2) and (3), the Postal Service makes reasonable arguments that these criteria are not implicated by the Modified Singapore Post Agreement.⁷ Notice at 5-7.

Functional Equivalence. The Commission has previously determined that the Singapore Post Agreement is functionally equivalent to the agreements within the Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 product. Other than extending the expiration date of the Singapore Post Agreement and revising the rates in Annex 1, the Modified Singapore Post Agreement does not materially change the terms of the Singapore Post Agreement. Therefore, the Public Representative concludes that the Modified Singapore Post Agreement is also functionally equivalent to the agreements within the Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 product.

III. CONCLUSION

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

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⁶ The Modified Singapore Post Agreement does not materially change the terms of the Singapore Post Agreement. Therefore, the ways in which the Singapore Post Agreement improves the operational performance of the Postal Service, as outlined in the Postal Service's notice filed in Docket No. R2012-1, should still be applicable for the Modified Singapore Post Agreement. See Docket No. R2012-1, Notice of United States Postal Service of Type 2 Rate Adjustment, and Notice of Filing Functionally Equivalent Agreement, October 14, 2011 (R2012-1 Notice), at 4-5.

⁷ For criterion (2), the Postal Service refers back to its arguments in its notice filed in Docket No. R2012-1. See R2012-1 Notice at 5-6. For criterion (3), the Postal Service reiterates its arguments from Docket No. R2012-1. See R2012-1 Notice at 7.