

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

MARKET TEST OF EXPERIMENTAL PRODUCT-
INTERNATIONAL MERCHANDISE RETURN SERVICE
NON-PUBLISHED RATES

Docket No. MT2013-2

COMPETITIVE PRODUCT PRICES
INBOUND COMPETITIVE MULTI-SERVICE AGREEMENTS WITH
FOREIGN POSTAL OPERATORS
AUSTRALIAN POSTAL CORPORATION – UNITED STATES POSTAL
SERVICE BILATERAL AGREEMENT (MC2010-34)
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2012-1

MARKET DOMINANT PRODUCT PRICES
INBOUND MARKET DOMINANT MULTI-SERVICE AGREEMENTS
WITH FOREIGN POSTAL OPERATORS
AUSTRALIAN POSTAL CORPORATION - UNITED STATES
POSTAL SERVICE BILATERAL AGREEMENT (MC2010-35)
NEGOTIATED SERVICE AGREEMENT

Docket No. R2012-2

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO POSTAL REGULATORY COMMISSION ORDER NO. 1806**
(August 19, 2013)

The United States Postal Service hereby files its response to Commission Order No. 1806, issued August 12, 2013. In that order, the Commission requested that the Postal Service file a copy of the modification to the Australia Post Bilateral without certain redactions in the second paragraph in Article 2 under the heading “Operational

Procedures of the International Merchandise Return Service (IMRS).” This passage had had been previously filed non-publicly with the Commission.¹

A revised copy of the modification with Australia Post, with those sections unredacted, is filed as an attachment to this response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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¹ Originally filed in Letter from Anthony Alverno, Chief Counsel, Global Business and Service Development, Corporate and Postal Business Law Section, to the Honorable Shoshana Grove, Secretary, Postal Regulatory Commission, Transmitting Copies of Contracts Filed under 39 U.S.C. 407(d)(2), June 28, 2013.

**AMENDMENT ONE TO THE "AUSTRALIAN POSTAL CORPORATION –
UNITED STATES POSTAL SERVICE BILATERAL AGREEMENT"**

This Amendment modifies the Agreement between the United States Postal Service ("USPS") and Australian Postal Corporation ("Australia Post" or "AUP") (the "AUP-USPS Bilateral Agreement"), signed by the USPS on September 29, 2011, and by AUP on September 30, 2011 pursuant to article 18 of the AUP-USPS Bilateral Agreement.

This Amendment modifies the AUP-USPS Bilateral Agreement in the following ways:

1. Creation of new Annex 7 "Agreement on the International Exchange of International Merchandise Return Service (IMRS) between the U.S. Postal Service and Australian Postal Corporation," including Schedule A to Annex 7 "IMRS Settlement Rates." The parties thereafter agree to incorporate in the AUP-USPS Bilateral Agreement this new Annex 7 which establishes mutually agreed terms and conditions for the exchange of IMRS between the USPS and AUP and which will govern the exchange of IMRS thereafter.
2. This Amendment shall come into force on the later of the two dates on which it is signed by the Parties' representatives below, and it shall remain in effect for the same term as the AUP-USPS Bilateral Agreement.
3. Notwithstanding the date on which the Agreement comes into force, its effective date remains subject to the Conditions Precedent listed in Article 3 of the AUP-USPS Bilateral Agreement. The Parties may execute this Amendment in one or more counterparts (including by facsimile or by electronic means such as .pdf format). Not all Parties need be signatories to the same document. All counterpart signed documents shall be deemed an original and one instrument.

All other terms and conditions of the AUP-USPS Bilateral Agreement shall remain in force.

IN WITNESS WHEREOF, the Parties agree to be bound as of the latest date of signature to the terms and conditions of this Amendment.

AUSTRALIAN POSTAL CORPORATION

U.S. POSTAL SERVICE



Mark Crawford
General Manager, International



Giselle Valera
Managing Director, Global Business, and
Vice President

28th May 2013

(Date)

May 22, 2013

(Date)

Annex 7 - Agreement on the Exchange of International Merchandise Return Service between the U.S. Postal Service and the Australian Postal Corporation

Article 1: Purpose of the Agreement

The purpose of the Agreement shall be to establish mutually agreed terms and conditions for the International Merchandise Return service from the Australian Postal Corporation (AUP) to the United States Postal Service (USPS) and within the framework of the AUP-USPS Bilateral Agreement.

Article 2: Precedence of Agreements

Terms of agreements shall be applied in the following order of precedence when interpreting this Agreement in the case of doubt, ambiguity, conflict or dispute:

1. Specific processes, conditions, and rates set forth in this Annex 7 and its Schedule A.
2. Terms of the Australian Postal Corporation-United States Postal Service Bilateral Agreement effective January 1, 2012 through December 31, 2013.

Operational Procedures of the International Merchandise Return Service (IMRS)

1. U.S. Merchant shall send goods to customer in Australia using USPS or any other outbound carrier.
2. Customer in Australia wishing to return an item shall contact U.S. Merchant and follow the Merchant's instructions for requesting return service and label. The instructions may vary by Merchant but must require the customer to submit detailed item information to the Merchant including name, address, contact information, merchandise description, type of service, and weight.
3. U.S. Merchant shall authorize the return and acquire return label by [REDACTED]
4. [REDACTED] sends the label [REDACTED]
5. U.S. Merchant shall provide by electronic means (e-mail, .pdf download, etc.) the label and customs declaration to the customer in Australia.
6. All IMRS labels shall utilize the S10 barcode identifier. Air Parcel IMRS shall reflect the "CU" prefix. Both constructs shall end with "AU".
7. AUP shall capture IMRS item weights and transmit IMRS item barcodes and associated item weights in PREDES messaging upon dispatch.
8. The Air Parcel IMRS items shall be dispatched and returned to USPS [REDACTED]

International Merchandise Return Service Rates

Schedule A outlines the rates applicable to IMRS items for the 2013 calendar year, ending 31 December 2013. [REDACTED]

International Merchandise Return Service Billing

AUP shall include IMRS item-level barcodes and weight data in PREDES messaging to USPS at the point of dispatch. Utilizing information from AUP's PREDES, IPC shall provide a monthly and quarterly report to AUP and USPS which will include the following required information:

1. A listing of IMRS item identifiers beginning with "CU" for all labels generated
2. An "Applied Invoice Weight" per item
3. Listing of billable and non-billable volume
4. Total billable item count and average billable weight

USPS/AUP Settlement

[REDACTED] The standard USPS/AUP settlement process for IMRS items returned as AUP's Air Parcels will be applied.

USPS/AUP Customer Service Support for Inquiries, Claims and Liability

1. AUP shall enable customer support services to customers in Australia.
2. One quarter after launching IMRS, AUP and USPS shall work together to determine the success of the IMRS product based on user feedback and the rate of IMRS adoption.
3. At that time, AUP and USPS shall make the determination [REDACTED]
4. [REDACTED] AUP and USPS shall work together to determine the rules of liability for IMRS and the appropriate inquiry and claims process.

Schedule A to Annex 7 – IMRS Settlement Rates

The following rates are irrespective of IMRS volume dispatched from Australia Post to USPS, [REDACTED] and are applicable on a per (piece) item and [REDACTED] basis:

2013 IMRS Settlement Rates	Per Piece (SDR)	[REDACTED]
IMRS – Air Parcel Service	[REDACTED]	[REDACTED]