

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Market Test of Experimental Product-  
International Merchandise Return Service  
Non-Published Rates

Docket No. MT2013-2

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued October 29, 2014)

To clarify the record, the Postal Service is requested to provide written responses to the following questions. The response should be provided as soon as possible, but no later than November 5, 2014.

On August 12, 2013, the Commission issued an order approving the International Merchandise Return Service—Non-Published Rates (IMRS-NPR) market test.<sup>1</sup> On September 26, 2013, the Postal Service filed a notice that it entered into a one-year IMRS customer agreement effective October 1, 2013.<sup>2</sup> The IMRS customer agreement was derived from the contract template that the Postal Service submitted with its notice of intent to conduct the IMRS—NPR market test (Original Contract Template). *Id.* at 1 n.2.

On October 1, 2014, the Postal Service filed a notice with the Commission stating that it had negotiated an additional bilateral agreement with the Royal Mail Group Limited to provide IMRS for returns from the United Kingdom.<sup>3</sup> The notice includes an updated contract template (Updated Contract Template) that adds prices for

---

<sup>1</sup> Order Authorizing Market Test to Proceed and Granting Extension, August 12, 2013, at 5 (Order No. 1806).

<sup>2</sup> Customer Contract Filing Notice for International Merchandise Return Service—Non-Published Rates Serial Number MT-IMRS-NPR-FY14-001, September 26, 2013.

<sup>3</sup> Notice of the United States Postal Service of Change to Market Test of Experimental Product—International Merchandise Return Service—Non-Published Rates, October 1, 2014.

IMRS items received from the United Kingdom. *Id.*, Attachment 1. The notice also contains an updated financial model explaining how the Postal Service developed the rates. *Id.*, Attachment 2 at 3.

It appeared that the Postal Service intended to use the Updated Contract Template for IMRS customer agreements effective after October 1, 2014. However, on October 27, 2014, the Postal Service filed a notice renewing the October 1, 2013 IMRS customer agreement.<sup>4</sup> The renewal agreement was derived from the Original Contract Template rather than the Updated Contract Template. *Id.* at 1 n.2.

1. When does the Postal Service plan to begin negotiating IMRS customer agreements using the Updated Contract Template?
2. Is the Updated Contract Template intended to be a replacement for the Original Contract Template, or does the Postal Service also plan to continue to negotiate IMRS customer agreements using the Original Contract Template?
3. The Postal Service is required to report data at quarterly intervals following the conclusion of the term of each IMRS customer agreement. Order No. 1806 at 5. Data will include the costs, revenues, and volumes associated with each agreement. *Id.*
  - a. When does the Postal Service plan on filing reporting data on the October 1, 2013 IMRS customer agreement?

---

<sup>4</sup> Customer Contract Renewal Filing Notice for International Merchandise Return Service—Non-Published Rates Serial Number MT-IMRS-NPR-FY15-001, October 27, 2014.

- b. Does the Postal Service anticipate reporting costs, revenues, and volumes associated with the renewal IMRS customer agreement based on the original financial model, the updated financial model, or some hybrid approach? Please explain your response.

By the Chairman.

Ruth Y. Goldway