

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

Market Dominant Product Prices  
Inbound Market Dominant Multi-Service Agreements  
with Foreign Postal Operators

Docket No. R2015-3

PostNL – United States Postal Service Bilateral  
Agreement (MC2010-35)  
Negotiated Service Agreement

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued December 9, 2014)

To clarify the Postal Service's request to include Royal PostNL BV (PostNL) negotiated service agreement (Agreement) within the Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 product, the Commission requests the Postal Service provide written responses to the following questions.<sup>1</sup> A response should be provided as soon as possible, but no later than December 12, 2014.

1. If the Commission cannot find that the Agreement "improve[s] the net financial position of the Postal Service through reducing Postal Service costs or increasing the overall contribution to the institutional costs of the Postal Service," under 39 U.S.C. § 3622(c)(10)(A)(i), *see also* 39 C.F.R. § 3010.42(f), the Commission may also approve the agreement on an alternative ground if it "enhance[s] the performance of mail preparation, processing, transportation, or other functions" under 39 U.S.C. § 3622(c)(10)(A)(ii); *see also* 39 C.F.R. § 3010.42(g). The

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<sup>1</sup> United States Postal Service Notice of Type 2 Rate Adjustment, Notice Filing Functionally Equivalent Agreement and Application for Nonpublic Treatment, November 14, 2014 (Notice).

Postal Service is required to discuss the nature and expected impact of each enhancement. 39 C.F.R. § 3010.42(g). In its Notice, the Postal Service identifies three performance improvements:

- (1) The agreement of both parties to work together to revise the Accounting Business Rules to include settlement related changes,
- (2) Both parties are encouraged to offer one another incentives for optional activities such as sortation and separation changes, and
- (3) Annex 3 contains suggested Office of Exchange Routing details and information about the Offices of Exchange where Register Mail can be accepted.

*Id.* at 5. The Notice states that “These performance improvements should enhance the performance of mail preparation, processing, transportation and other functions related to the delivery services provided for inbound Letter Post items under the Agreement.” *Id.*

- a. Please discuss the nature and expected impact of each of items (1), (2), and (3) on the performance enhancement of mail preparation. As part of your response, please explain how each of items (1), (2), and (3) are required by the Agreement and how they enhance the performance of mail preparation.
- b. Please discuss the nature and expected impact of each of items (1), (2), and (3) on the performance enhancement of mail processing. As part of your response, please explain how each of items (1), (2), and (3) are required by the Agreement and how they enhance the performance of mail processing.
- c. Please discuss the nature and expected impact of each of items (1), (2), and (3) on the performance enhancement of mail transportation. As part of your response, please explain how each of items (1), (2), and (3) are

required by the Agreement and how they enhance the performance of mail transportation.

- d. Please identify each other function that the Agreement is expected to enhance. For each other function identified, please discuss the nature and expected impact of each of items (1), (2), and (3) on such other functions. As part of your response, please explain how each of items (1), (2), and (3) are required by the Agreement and how they enhance each other function identified.
2. Other than the three performance improvements provided in the Notice, are there any other performance improvements associated with the Agreement? If so, please identify each additional performance improvement associated with the Agreement and discuss the nature and expected impact of each additional performance improvement on mail preparation, mail processing, mail transportation, or any other function identified. As part of your response, please explain how each additional performance improvement is required by the Agreement and how it enhances the performance of mail preparation, mail processing, mail transportation, or any other function identified.
3. If applicable, please provide any method(s) used in measuring each of the three performance improvements listed in the Notice, and any additional performance improvements provided as a result of this Chairman's Information Request.

By the Acting Chairman.

Robert G. Taub