

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

ANNUAL COMPLIANCE REVIEW, 2014

Docket No. ACR2014

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
QUESTION 12 OF CHAIRMAN'S INFORMATION REQUEST NO. 3

The United States Postal Service hereby provides its response to the above-listed question of Chairman's Information Request No. 3, issued on January 23, 2015. The question is stated verbatim and followed by the response. Responses to all other questions in this Information Request have been filed previously.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Pricing & Product Support

Eric P. Koetting

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 277-6333
February 9, 2015

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 3

12. The Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 product consists of agreements governing the entry of inbound letterpost. Refer to the agreements that were the subject of Docket Nos. R2013-4 (Royal PostNL (Netherlands)); R2013-3 and R2014-4 (Hongkong Post); and R2012-2 and R2014-2 (Australian Postal Corporation). In the referenced dockets, the Postal Service's Notice asserts that the negotiated rates in each of the multi-service agreements "result[] in improvement over [the] default rates established under the Universal Postal Union (UPU) Acts for inbound letter-post items."¹

The following requests seek information to determine whether the negotiated rates applicable to the volumes entered pursuant to the referenced agreements during FY 2014 improve the cost coverage of the agreements compared to the cost coverage at the UPU terminal dues rates.

- a. For the Royal PostNL (Netherlands) agreement (Docket No. R2013-4), please provide an analysis of the FY 2014 volumes, negotiated rates, and applicable UPU default rates, as well as the cost coverage at the negotiated rates and UPU default rates.
- b. For the Hongkong Post agreements (Docket Nos. R2013-3 and R2014-4), please provide an analysis of the FY 2014 volumes, negotiated rates, and applicable UPU default rates, as well as the cost coverage at the negotiated rates and UPU default rates for these agreements.
- c. Also, please provide an analysis of the contract year volumes, negotiated rates, and applicable UPU default rates, as well as the cost coverage at the negotiated rates and UPU default rates for the Docket No. R2013-3 agreement.
- d. For the Australian Postal Corporation agreements (Docket Nos. R2012-2 and R2014-2), please provide an analysis of the FY 2014 volumes, negotiated rates, and applicable UPU default rates by rate cell, as well as the cost coverage at the negotiated rates and UPU default rates for these agreements.
- e. Also, please provide an analysis of the contract year volumes, negotiated rates, and applicable UPU default rates, as well as the cost coverage at the negotiated rates and UPU default rates for the Docket No. R2012-2 agreement.

¹ See, e.g., Docket No. R2013-4, Notice of United States Postal Service of Type 2 Rate Adjustment, and Notice of Filing Functionally Equivalent Agreement, November 15, 2012, at 1.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 3

RESPONSE:

a.-e.) Please see the responses filed under seal in USPS-FY14-NP35.