

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Acting Chairman;
Tony Hammond, Vice Chairman;
Mark Acton;
Ruth Y. Goldway; and
Nanci E. Langley

Competitive Product Prices
Competitive International Merchandise Return Service
Agreements With Foreign Postal Operators
Non-Published Rates

Docket No. MC2015-68

Competitive Product Prices
Competitive International Merchandise Return Service
Agreements With Foreign Postal Operators
Non-Published Rates (MC2015-68)

Docket No. CP2015-99

NOTICE AND ORDER CONCERNING POSTAL SERVICE RESPONSE TO
ORDER NO. 2639 AND REQUEST FOR SUPPLEMENTAL INFORMATION

(Issued October 6, 2015)

I. INTRODUCTION

On August 4, 2015, the Commission conditionally approved the proposed International Merchandise Return Service Agreements with Foreign Postal Operators (IMRS-FPO) product.¹ To ensure that the IMRS-FPO product covers its attributable

¹ Order Conditionally Approving Addition of Competitive International Merchandise Return Service Agreements with Foreign Postal Operators (IMRS-FPO) to the Competitive Product List, August 4, 2015, at 7 (Order No. 2639).

costs, the Commission directed the Postal Service to amend the model agreement to include language that: “1) automatically adjusts the agreement’s prices if [they fall] below the range most recently approved by the Commission; or 2) automatically terminates the agreement if the agreement’s prices fall below the range most recently approved by the Commission.” Order No. 2639 at 7.

On October 1, 2015, the Postal Service filed a revised model agreement for the proposed IMRS-FPO product.² A redacted copy of the revised model agreement appears as Attachment 1 to the Response. The Postal Service states that changes were made to Article 9, Article 23, and Annex 1. Response at 1. As a result of these changes, the Postal Service claims that IMRS-FPO agreements will now “automatically terminate” should the rates in the agreement fall outside the IMRS-FPO rate range most recently approved by the Commission. *Id.* at 1-2. The Postal Service asserts that the revisions to the model agreement are consistent with Order No. 2639. *Id.* at 1.

II. NOTICE OF COMMISSION ACTION

In Order No. 2639, the Commission stated that once the Postal Service filed a revised model agreement it would “notice that filing for comment.” Order No. 2639 at 8. Accordingly, the Commission invites comments on whether the Postal Service’s revised model agreement is consistent with the Commission’s directive. Interested persons, including the Public Representative, may submit comments on the information in the Postal Service’s Response no later than October 15, 2015. James F. Callow will continue to serve as Public Representative in these proceedings.

² United States Postal Service Response to Order No. 2639 Concerning Revised Model Agreement for Competitive International Merchandise Return Service Agreements with Foreign Postal Operators (IMRS-FPO), October 1, 2015 (Response).

III. REQUEST FOR SUPPLEMENTAL INFORMATION

Article 9 of the revised model agreement states that, in the event that the prices in the agreement no longer fall within the range most recently approved by the Commission, the agreement “shall expire sixty (60) days after the effective date of the new rate range” Response, Attachment 1 at 3. The Commission requests that the Postal Service explain why IMRS-FPO agreements cannot terminate sooner than sixty days after the effective date of a new rate range. The Postal Service’s response is due no later than October 13, 2015.

IV. ORDERING PARAGRAPHS

It is ordered:

1. Comments on the information in the Postal Service’s Response are due no later than October 15, 2015.
2. The Postal Service’s response to the request for supplemental information is due no later than October 13, 2015.
3. James F. Callow will continue to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in these proceedings.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Ruth Ann Abrams
Acting Secretary