

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

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 CONCERNING SATISFACTION OF CONDITIONS OF ORDER NO. 2639

(Issued October 21, 2015)

In Order No. 2639, the Commission conditionally approved the addition of the Competitive International Merchandise Return Service Agreements with Foreign Postal Operators (IMRS-FPO) product to the competitive product list.<sup>1</sup> To ensure that the IMRS-FPO product covered its attributable 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 notice that it had amended the model agreement for the IMRS-FPO product.<sup>2</sup> In particular, the Postal Service stated

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<sup>1</sup> 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 8 (Order No. 2639).

<sup>2</sup> 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 to Order No. 2639).

that it amended Article 9, Article 23, and Annex 1 so that the model agreement would terminate within 60 days “should the rates in the Agreement no longer fall within the most recent rate ranges approved by the Commission.” Response to Order No. 2639 at 1-2. The Postal Service included a redacted copy of the amended model agreement with its response as Attachment 1. The Postal Service also filed an unredacted copy of the amended model agreement under seal.

On October 6, 2015, the Commission issued Order No. 2744, which provided public notice of the Postal Service’s Response to Order No. 2639 and set October 15, 2015, as the deadline for the submission of public comments.<sup>3</sup> In that order the Commission also requested that the Postal Service provide supplemental information explaining why the amended IMRS-FPO model agreement could not “terminate sooner than sixty days after the effective date of a new rate range.” Order No. 2744 at 3.

On October 13, 2015, the Postal Service responded to the Commission’s request for supplemental information.<sup>4</sup> The Postal Service explained that the 60-day termination period was designed to provide the parties with “sufficient time to execute a renewal agreement after the Commission approves new rates.” Response to Order No. 2744 at 2. The Postal Service further explained that, in its experience, negotiations with foreign postal operators typically require 60 days in order to overcome “language challenges” and issues related to the “availability of key personnel.” *Id.*

The Commission received no comments concerning the Response to Order No. 2639 or the Response to Order No. 2744.

The Commission has reviewed the amendments to the IMRS-FPO model agreement along with the Postal Service’s Response to Order No. 2744. The Postal Service has satisfied the conditions set forth in Order No. 2639. Accordingly, no further

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<sup>3</sup> Notice and Order Concerning Postal Service Response to Order No. 2639 and Request for Supplemental Information, October 6, 2015 (Order No. 2744).

<sup>4</sup> Response of the United States Postal Service to Order No. 2744, October 13, 2015 (Response to Order No. 2744).

Commission action is necessary. As described in Order No. 2639, the revisions to the competitive product list and the Mail Classification Schedule are effective immediately.

By the Commission.

Ruth Ann Abrams  
Acting Secretary