

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

Market Test of Experimental Product-  
Global eCommerce Marketplace (GeM)  
Non-Published Rates

Docket No. MT2016-1

COMMISSION INFORMATION REQUEST NO. 1

(Issued April 29, 2016)

To clarify the Postal Service's notice of its intent to conduct a market test of an experimental product called Global eCommerce Marketplace (GeM) Merchant filed March 16, 2016,<sup>1</sup> the Postal Service is requested to provide written responses to the following questions. The responses are due no later than May 9, 2016.

1. The Postal Service provides information concerning its evaluation of the current market for end-to-end services similar to GeM Merchant. Notice at 5-6. The Postal Service also identified four companies presently offering end-to-end services that are similar to GeM Merchant as Pitney Bowes Borderfree, FedEx Crossborder (formerly FedEx Bongo), UPS i-Parcel, and DHL iCart.<sup>2</sup> Please provide the following:
  - a. All market analysis performed by the Postal Service concerning the market for end-to-end services similar to GeM Merchant;
  - b. All Postal Service estimates of annual revenues of the competing products;

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<sup>1</sup> Notice of the United States Postal Service of Market Test of Experimental Product- Global eCommerce Marketplace (GeM) Merchant Solution and Notice of Filing GeM Merchant Model Contract and Application for Non-Public Treatment of Materials Filed Under Seal, March 16, 2016 (Notice).

<sup>2</sup> Response of the United States Postal Service to Chairman's Information Request No. 1, April 6, 2016, question 1a (Responses to CHIR No. 1).

- c. All Postal Service estimates of annual volumes of the competing products; and
  - d. All research or other information the Postal Service has concerning this market for end-to-end services.
2. Please identify the estimated number of merchants that the Postal Service expects to participate in each year of the proposed market test.
3. The Postal Service provides estimated annual revenues for the proposed GeM Merchant market test. Notice, Attachment 4. Please provide the basis, including the financial model, underlying these annual revenue estimates.
4. The Postal Service states that it conducted an operations test of the GeM model. Notice at 2 n.2. The Postal Service explains that “[t]hrough this operations test, the Postal Service gained relevant information concerning what factors to consider when choosing a vendor and for negotiating supplier agreements for this product.” Responses to CHIR No. 1, question 3a. The Postal Service identifies that “international service was arranged by Shopex LLC” during the operations test. *Id.* question 3b. Please provide the following:
  - a. The total volume, revenue, and cost of the operations test;
  - b. The customer-specific price charts from the operations test that breakdown prices by country group and by weight;
  - c. A detailed explanation of Shopex LLC’s role in the operations test; and
  - d. A detailed explanation of how the proposed market test is expected to differ from the operations test, including Shopex LLC’s expected role and any operational changes made as a result of lessons learned from the operations test.

5. The Postal Service states it may use a supplier to “prepare the item for international shipment to the address of the overseas buyer and arrange for delivery to the addressee.” Notice at 2.
  - a. Please explain in detail the role of the supplier in the proposed GeM Merchant market test.
  - b. Has the Postal Service selected any suppliers for the proposed GeM Merchant market test?
    - i. If yes, please identify all suppliers selected.
    - ii. If not, please identify the entities the Postal Service is considering for this role and when the Postal Service expects the selection process to be complete.
  - c. Please explain in detail how the Postal Service expects the selection of a supplier to affect revenue earned from the proposed GeM Merchant market test.
  - d. Will the Postal Service track costs based upon whether the Postal Service or a supplier provides the underlying services?
    - i. If yes, please confirm that the Postal Service will also track costs based upon which particular supplier provided the underlying services.
    - ii. If not, please explain why not and identify any obstacles to tracking these costs.
6. Please see Attachment, filed under seal.
7. Please see Attachment, filed under seal.

8. Please see Attachment, filed under seal.

By the Commission.

Ruth Ann Abrams  
Acting Secretary