

ORDER NO. 3868

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

Before Commissioners:

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

Market Dominant Product Prices  
Inbound Market Dominant Multi-Service Agreements  
with Foreign Postal Operators 1

Docket No. R2017-5

Hongkong Post—United States Postal Office  
Bilateral Agreement (MC2010-35)  
Negotiated Service Agreement

Competitive Product Prices  
Inbound Competitive Multi-Service Agreements  
with Foreign Postal Operators 1 (MC2010-34)  
Hongkong Post

Docket No. CP2017-130

ORDER APPROVING MODIFICATION TO AN INBOUND MARKET DOMINANT  
MULTI-SERVICE AGREEMENT WITH FOREIGN POSTAL OPERATORS 1  
NEGOTIATED SERVICE AGREEMENT AND AN INBOUND COMPETITIVE MULTI-  
SERVICE AGREEMENT WITH FOREIGN POSTAL OPERATORS 1 NEGOTIATED  
SERVICE AGREEMENT

(Issued April 24, 2017)

## I. INTRODUCTION

The Postal Service seeks to modify the Hongkong Post—United States Postal Service bilateral negotiated service agreement (Existing Agreement).<sup>1</sup> The Modification affects both the market dominant and competitive inbound portions of the Existing Agreement. For the reasons discussed below, the Commission approves the Modification.

In Order Nos. 3811 and 3821, the Commission approved the market dominant and the competitive inbound portions of the Existing Agreement, respectively.<sup>2</sup> On April 19, 2017, the Postal Service filed notice that it agreed to modify the Existing Agreement. Notice at 1-2. The Postal Service states that the Modification revises the “sortation and induction rules that appear in Annex 5.” *Id.* at 2. Specifically, the Modification replaces the “Detailed Sortation and Induction Scheme” chart. Modification at 1. The Postal Service states that the Modification went into effect on April 18, 2017, the last date of signature. Notice at 2.

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<sup>1</sup> Notice of the United States Postal Service of Filing Modification to an Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 Negotiated Service Agreement and to an Inbound Competitive Multi-Service Agreements with Foreign Postal Operators 1 Negotiated Service Agreement, and Notice of Application for Non-Public Treatment, April 19, 2017 (Notice). A copy of the executed modification is attached to the Notice as Attachment 1 (Modification). The Notice’s caption refers to the “China Post Group—United States Postal Service Multi-Product Bilateral Agreement.” Notice at 1. In addition, the Modification refers to Docket Nos. R2017-4 and CP2017-131 (in which the Commission analyzed the market dominant and competitive inbound portions of the China Post Group—United States Postal Service bilateral negotiated service agreement). Modification at 1. However, because the Modification states that it amends the Existing Agreement and is signed by Hongkong Post, the Commission concludes that the references to China Post Group were made in error. Modification at 1-2.

<sup>2</sup> Docket No. R2017-5, Order Approving Inbound Market Dominant Multi-Service Agreement with Foreign Postal Operators 1 Negotiated Service Agreement (with Hongkong Post), March 1, 2017 (Order No. 3811); Docket No. CP2017-130, Order Approving Additional Inbound Competitive Multi-Service Agreement with Foreign Postal Operators 1 Negotiated Service Agreement, March 22, 2017 (Order No. 3821).

## II. COMMISSION ANALYSIS

The Commission has reviewed the Notice and the accompanying materials filed under seal. The Modification replaces the “Detailed Sortation and Induction Scheme” chart that appears in Annex 5 and revises the Existing Agreement’s sortation and induction rules. Modification at 1. The Commission concludes that the Modification does not affect the costs and revenue of the Existing Agreement. Accordingly, the Commission finds that the Modification satisfies the statutory and regulatory provisions applicable to the rates for market dominant and competitive products.

*It is ordered:*

The Commission approves the Hongkong Post—United States Postal Service bilateral negotiated service agreement, as modified.

By the Commission.

Stacy L. Ruble  
Secretary