

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

Section 407 Proceeding

Docket No. IM2016-1

NOTICE OF POSTING OF VIEWS

(Issued December 16, 2016)

Consistent with 39 U.S.C. § 407(c), the Commission provided views to the Secretary of State on whether certain proposals for the December 2016 Universal Postal Union Postal Operations Council meetings are consistent with the standards and criteria for modern rate regulation established by the Commission under 39 U.S.C. § 3622. Pursuant to 39 C.F.R. § 3017.4(b), the Commission forewent the solicitation of comments because such a solicitation was inconsistent with the timely submission of Commission views to the Secretary of State. Consistent with 39 C.F.R. § 3017.3(b), these views have been posted on the Commission's website in Docket No. IM2016-1:¹

Commission views dated November 29, 2016.

Ruth Ann Abrams
Acting Secretary

¹ In Order No. 2960, the Commission stated, “[a]s indicated in section 3017.3(b), the Commission intends to post its views in the docket with which it is associated after conclusion of deliberations on a related treaty, convention, or amendment.” Docket No. RM2015-14, Order No. 2960, Order Adopting Final Rules on Procedures Related to Commission Views, December 30, 2015, at 29.

Title of Documents
Commission views dated November 29, 2016.

File of Documents



POSTAL REGULATORY COMMISSION
Washington, DC 20268-0001

Office of the Chairman

November 29, 2016

VIA U.S. MAIL AND EMAIL

The Honorable Bathsheba N. Crocker
Assistant Secretary for International
Organization Affairs
U.S. Department of State
2201 C Street NW, Room 6323
Washington, DC 20520

Dear Ms. Crocker:

In accordance with 39 U.S.C. § 407(c)(1), I am writing to provide the Secretary of State with the Postal Regulatory Commission's views with respect to the consistency of proposals for the upcoming Universal Postal Union (UPU) Postal Operations Council (POC) meetings to amend rates or classifications for market dominant products with the standards and criteria for market dominant products established by the Commission under 39 U.S.C. § 3622.

After reviewing all proposals available as of November 29, 2016, the Commission determined that three proposals require a view. These proposals, which would amend the Regulations of the Universal Postal Convention, include: 25.17-003.1, Express items; 25.18-104.1, Undeliverable items—Return to country of origin or to sender and period of retention; and 25.29-104.1, Supplementary remuneration for additional service features for registered, insured, and express items. For the reasons identified below, there is insufficient information to make a determination of whether these proposals are

consistent with the standards and criteria established by the Commission under 39 U.S.C. § 3622.

Proposals 25.17-003.1 and 25.29-104.1 are complementary. These proposals establish a new classification and rate for delivery confirmation for the inbound *Exprès* (express) service for postal operators that provide this service. The rate would be linked to quality of service targets specified in the Universal Postal Convention. As the Postal Service does not currently provide delivery confirmation for *Exprès* items within the UPU context, there is no applicable quality of service information available to estimate the cost coverage of delivery confirmation. For this reason, the Commission has insufficient information to make a determination of whether these proposals are consistent with the standards and criteria established by the Commission under 39 U.S.C. § 3622.

Proposal 25.18-104.1 establishes a rate for the return of undeliverable registered small packets to the country of origin. This rate would be an exception to Article 18-104.3 of the Universal Postal Convention,¹ which provides that postal operators may not charge each other for the return of undeliverable letter post items to the country of origin unless they collect this charge domestically. As the Postal Service does not charge the mailer for the return of undeliverable small packets domestically, it also does not charge for the return of undeliverable registered small packets internationally. As a result, there is no suitable proxy service charge for the return of such items, and, therefore, no proxy for costs when analyzing the consistency of this proposal with the standards and criteria established by the Commission under 39 U.S.C. § 3622. As a result, the Commission has insufficient information to make a determination. The Commission notes, however, that adoption of this proposal would create a revenue source for the Postal Service that currently does not exist even though costs are incurred.

¹ Article 18-104.3 is contained within the draft Regulations to be adopted by the POC, and reflects Article RL 151 of the current Universal Postal Convention.

The Commission will continue to monitor any additional proposals that the UPU International Bureau publishes for the upcoming POC meetings. In the event that any require a view under 39 U.S.C. § 407(c), the Commission will send you its additional views in a timely manner.

With best wishes, I am

Sincerely yours,



Robert G. Taub
Acting Chairman

cc: Tracey Ann Jacobson
Principal Deputy Assistant Secretary
Bureau of International Organization Affairs

Nerissa Cook
Deputy Assistant Secretary
Bureau of International Organization Affairs

Greg Thome
Director
Office of Specialized and Technical Agencies
Bureau of International Organization Affairs

Joe Murphy
Chief, Postal Policy Unit
Office of Specialized and Technical Agencies
Bureau of International Organization Affairs