

United States Senate

April 27, 2018

The Honorable Robert Taub
Chairman
Postal Regulatory Commission
901 New York Avenue NW, Suite 200
Washington, D.C. 20268

Dear Chairman Taub:

As you are aware, the United States has an international agreement through the United Nations with a postal governance entity called the Universal Postal Union (UPU). The UPU makes postal arrangements with 191 other nations to ensure a working global postal system.

A functional postal system is important, and it is vital to our national economic health that these agreements are made with Americans' best interests in mind. In a global economy with increasing international trade, our foreign agreements greatly affect American businesses, and flawed agreements can mean the difference between their success or failure. When foreign businesses enjoy discounted postal rates on goods they ship to the U.S., American entrepreneurs are put at a disadvantage. There is no more obvious example of the unfair disadvantage American businesses face than the terminal dues payments the UPU requires of the U.S.

On January 12, 2018, the U.S. Postal Service released under seal the inbound letter post revenue data by country group and shape (terminal dues data) in response to your request. We are writing to request that you present the terminal dues data to our offices, unsealed.

We understand that the Postal Service has submitted an application for non-treatment stating this information could give "indications of non-public volume information of UPU Designated Operators."¹ This is the extent of the explanation from Docket No. ACR2017, Notice of the U.S. Postal Service of Filing of USPS-FY17-NP21 and Application for Nonpublic Treatment (January 12, 2018), which is attached to this letter for your reference. Nevertheless, it is the responsibility of Congress to conduct oversight of agencies such as the Postal Service.

Members of Congress have an increased interest in the current terminal dues arrangement with the UPU, the financial losses inbound international mail inflicts on the Postal Service, and the disadvantage it places on Americans competing in the global marketplace. The lack of

¹ USPS-FY17-NP31, Nonpublic Material Provided in Response to Chairman's Information Request No. 1, Questions 1-10, 12, and 14-16.

transparency regarding terminal dues data is concerning. I look forward to your prompt response and to receiving the relevant data.

Sincerely,

Bill Cassidy, M.D.

Bill Cassidy, M.D.
U.S. Senator

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2017

Docket No. ACR2017

NOTICE OF THE UNITED STATES POSTAL SERVICE OF FILING
OF USPS-FY17-NP31 AND APPLICATION FOR NONPUBLIC TREATMENT
(January 12, 2018)

The Postal Service hereby gives notice of filing of the material indicated below as part of the **Non-Public Annex** in this proceeding:

USPS-FY17-NP31 Nonpublic Material Provided in Response to Chairman's Information Request No. 1, Questions 1-10, 12, and 14-16

As indicated, this material relates to requests for information posed on January 5, 2018, in Chairman's Information Request No. 1. This material consists of types of information customarily submitted under seal, and accordingly is submitted as part of the nonpublic annex in this proceeding. Attached to the Postal Service's ACR, filed December 29, 2017, was the Application for non-public treatment of the non-public annex, which is hereby incorporated by reference.

The requested data in the responses to Questions 1, 4, 5, 6, 10, and 12 include commercially sensitive information regarding volume, revenue and markets for the Postal Service's inbound market dominant products, as well as information related to the costs, volumes, revenues, and markets for the Postal Service's competitive products. Other questions include material such as information about service performance for certain international mail products.

In addition, the responses to Questions 1, 5, and 10 include information that may be considered proprietary by third parties. That information

- for Question 1 could give indications of non-public volume information of UPU Designated Operators (also listed in the ACR2017 in Appendix 1 to Application for non-public treatment for impacted party No. 16),
- for Question 5 includes non-public volume information of certain UPU Designated Operators that participate in the PRIME Tracked Service Agreement (also listed in the ACR 2017 in Appendix 1 to Application for non-public treatment for impacted party No. 16), and
- for Question 10 includes non-public volume and service performance information related to the exchange of mail between members of the Kahala Posts Group (also listed in the ACR 2017 in Appendix 1 to Application for non-public treatment for impacted party No. 15).

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By, its attorney:

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January 12, 2018