

G900 Experimental Classification and Rate Filings

G910 Negotiated Service Agreements

G911 General Requirements for NSAs

Summary G911 describes the general requirements for negotiated service agreements (NSAs) and explains the purpose of such agreements, factors to be considered for such agreements, and the process for establishing these agreements.

1.0 BASIC INFORMATION

Definition and Purpose

1.1 A negotiated service agreement (NSA) is a customized and mutually beneficial contractual agreement between the USPS and a specific mailer (customer or organization). An NSA provides for customized pricing, rates, and classifications under the terms and conditions established in the NSA and may include modifications to current mailing standards and other postal requirements. Any mailer may submit an application for an NSA if the mailer meets the requirements in 2.0 and follows the process in 3.0.

Legal Framework

1.2 Terms and conditions of an NSA affecting rates or classifications require that the USPS request a recommended decision from the Postal Rate Commission before the USPS may approve and implement the NSA. NSAs must be recommended and approved under Chapter 36 of Title 39 of the United States Code and the Postal Rate Commission's rules of practice and procedure.

2.0 CANDIDATE FACTORS AND REQUIREMENTS

Factors

- 2.1 The USPS considers the following factors in evaluating any candidate's NSA proposal:
- a. Candidate's presentation of information as requested by the USPS to document the following:
 - (1) Current mailing systems, postage payment systems, and quality control procedures and programs.
 - (2) Historical data showing mail volumes and use of specific mail services or mailpiece characteristics, as applicable. The candidate, as necessary, must also provide the effect on mail volumes of any corporate mergers, acquisitions, divestitures, and similar events.
 - b. Candidate's ability to make and present in an acceptable format accurate forecasts of future mail volumes for USPS products and services proposed for an NSA.
 - c. Candidate's ability to collect necessary data in an acceptable format to support an NSA.
 - d. Candidate's willingness to establish and maintain electronic systems and quality control programs as specified by the USPS for paying postage and generating records to facilitate monitoring and reconciling mail volumes, rates, and fees, including volumes and postage paid by a mail preparation agent on behalf of the candidate.
 - e. Candidate's production of mail using a formal system to ensure proper mail preparation and accurate postage calculations.
 - f. Candidate's use or planned implementation of a certified mail preparation total quality program to ensure proper mail preparation and to provide accurate documentation of mailings and postage payment.

**General Requirements**

2.2

NSAs cannot have an overall negative financial impact on the USPS. Any proposed NSA must contain, at a minimum, the following general candidate requirements and conditions:

- a. The candidate must permit USPS inspection of mail content to determine rate eligibility.
- b. The candidate must prepare mail under current applicable mailing standards, unless they are to be modified under a proposed NSA.
- c. The candidate must meet and adhere to quality management standards for the classes of mail and rates claimed.
- d. The candidate must make available to the USPS necessary records and data related to the NSA in a form that facilitates monitoring of compliance with the terms and conditions of the NSA.
- e. The candidate must provide proper specified notice to cancel the NSA.
- f. The USPS has the right to cancel the NSA at any time with specified proper notice for any failure or, where appropriate, material failure of the mailer to:
 - (1) Use the NSA within the time period specified in the NSA.
 - (2) Provide accurate data, present properly prepared and paid mailings, or comply with any other material term or condition in the NSA.
- g. The candidate must engage counsel and file testimony as necessary in support of the NSA before the Postal Rate Commission.

3.0 APPLICATION PROCESS**Initial Proposal**

3.1

A mailer seeking to enter into an NSA with the USPS must submit a written proposal, with appropriate supporting documentation, to the USPS manager of Pricing Strategy (see [G043](#) for address). The proposal must contain the reasons for requesting the NSA along with a summary of the information responding to the applicable candidate features and general requirements described in [2.0](#). A nondisclosure agreement must be signed before any substantive discussion of the proposal.

Negotiations and Contractual Agreement

3.2

As a result of the proposal, the candidate and the USPS may enter into negotiations to establish an NSA, with terms and conditions specific to the candidate, that is either a functionally equivalent NSA (i.e., comparable to an existing baseline NSA) or a new baseline NSA (i.e., not comparable to an existing NSA). A candidate in the negotiation process may withdraw a proposal for an NSA at any time prior to the execution of the NSA. Once the NSA is executed, the NSA is controlled by its terms and conditions.

Additional Consideration

3.3

If the USPS decides to end negotiations with the candidate before reaching an agreement to enter into an NSA under [1.0](#), the manager of Pricing Strategy notifies the candidate in writing and gives the reasons for the decision. Within 15 days from the receipt of the written explanation, the candidate may ask for reconsideration of the manager's decision. The candidate's request for reconsideration must include additional information and reasons why negotiations for an NSA should be resumed. The candidate submits the request for reconsideration through the manager of Pricing Strategy to the vice president of Pricing and Classification (see [G043](#) for address).