MTEOR BSA Agreement

This Agreement entered into between the United States Postal Service®, and its agents, including the Postal Service Office of Inspector General and the United States Postal Service Inspection Service ("Postal Service" or "USPS") and each company desiring participation in and use of the Postal Service MTEOR system to request the loan of Mail Transport Equipment (MTE), hereinafter "Company". BSAs assert that they have the authority to act as a representative for their Company for purposes of this Agreement and are subjecting their Companies to responsibility for all requirements outlined in this MTEOR Agreement.

Loan of Mail Transport Equipment - Borrowers' Responsibilities

The use of MTE is a courtesy extended by the Postal Service only to convey mail to and from postal installations and for transfer of finished goods between Company locations and mail service providers for purposes of finalizing and tendering mail to the Postal Service. Any other use of MTE (e.g., storing or transporting records, equipment, waste, unprinted paper, printed inserts, or printed materials to be delivered through any means other than mail, etc.) is specifically prohibited. Mail transport equipment (MTE) owned by the Postal Service may not be furnished to, or retained by, any business for their internal operating use or personal convenience.

The Postal Service will attempt to supply the equipment needed based on mail volume. It may be necessary for the Postal Service to substitute another equipment type to satisfy the requirement.

All companies borrowing USPS MTE are responsible for:

- a. Proper use, care, and timely return of MTE.
- b. Effective April 15, 2013, each mailer's facility receiving MTE directly from a Mail Transport Equipment Center (MTESC) must report their on-hand inventory. Reporting must be completed by close of business each Wednesday through the MTEOR system on the Inventory Report module.

Mailers who ONLY receive MTE from a US Postal Service facility and do not receive MTE from a MTESC, are NOT required to report their MTE inventory in MTEOR. The US Postal Service reserves the right to require that all mailers report their MTE inventory in the future.

Reportable MTE inventory includes:

- Full pallets of trays, tubs, sleeves and sacks, and stacks of pallets
- Empty and non-empty rolling stock
- Equipment being offloaded from USPS plant and MTESC trailers
- Defective equipment
- Outbound loaded trailers of empty MTE going to sister plants, trading partners, postal facilities, and MTESCs
- MTE provided by USPS both from MTEOR and other means
- MTE within the facility, in the yard, outside of the building, on the dock, in trailers, sitting in the parking lot, etc.

Mailers who are required to report their MTE inventory and fail to report it each week in MTEOR will be contacted by a Mailer's BSN, and may result in the suspension of MTEOR privileges.

- c. Hold no more on-hand inventory of empty MTE than what is required for two weeks of mail production at the facility where the MTE is held.
- d. Companies and individuals are not authorized to sell, recycle or destroy any MTE. Damaged MTE must be returned to the Postal Service. Use of equipment for any purpose other than the transport of U.S. Mail is strictly prohibited by Federal law. The Postal Service uses electronic tracking technology to monitor the location of this equipment.

Electronic Tracking of MTE

The USPS may electronically monitor the use of its mail transporting equipment and the Company gives authorization to the USPS to electronically intercept, monitor, record and/or track the location of mail transporting equipment while it is on the Company property.