

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

Before Commissioners:

Dan G. Blair, Chairman;
Mark Acton, Vice Chairman;
Ruth Y. Goldway;
Tony L. Hammond; and
Nanci E. Langley

Competitive Product Prices	Docket Nos. CP2008-18
Global Expedited Package Services 1 (CP2008-5)	CP2008-19
Negotiated Service Agreements	CP2008-20
	CP2008-21
	CP2008-22
	CP2008-23
	CP2008-24

NOTICE AND ORDER CONCERNING FILING OF ADDITIONAL
GLOBAL EXPEDITED PACKAGE SERVICES 1
NEGOTIATED SERVICE AGREEMENTS

(Issued August 19, 2008)

I. INTRODUCTION

On August 14, 2008, the Postal Service filed seven identical notices, which have been assigned to Docket Nos. CP2008-18 through CP2008-24.¹ These notices announce individual negotiated service agreements, namely, specific Global Express Package Service (GEPS) contracts the Postal Service has entered into with individual

¹ Notice of United States Postal Service of Filing of Functionally Equivalent Global Expedited Package Services 1 Negotiated Service Agreement, August 14, 2008, filed in Docket Nos. CP2008-18, CP2008-19, CP2008-20, CP2008-21, CP2008-22, CP2008-23, and CP2008-24 (Notices).

mailers. The Postal Service believes that each is functionally equivalent to the Global Express Package Services 1 (GEPS 1) product established in Docket No. CP2008-5.

Docket No. CP2008-5. The Governor's Decision supporting the GEPS 1 product was filed in consolidated Docket No. CP2008-5.² In Order No. 86, the Commission established GEPS 1 as a product and held that additional contracts may be included as part of the GEPS 1 product if they meet the requirements of 39 U.S.C. 3633, and if they are substantially equivalent to the initial GEPS 1 contract filed in Docket No. CP2008-5.³ The GEPS 1 product provides volume-based incentives for mailers that send large volumes of Express Mail International (EMI) and/or Priority Mail International (PMI).

Related contracts. The Postal Service contemporaneously filed the seven contracts in this docket pursuant to 39 CFR 3015.5 and Order No. 86,⁴ asserting that they are substantially equivalent to the initial GEPS 1 contract filed with the Commission. In support of each of these dockets, the Postal Service also filed the contract and supporting material under seal. The Notices contain the Postal Service's arguments that these contracts are substantially equivalent and that they exhibit similar cost and market characteristics. Notices at 3-5. The Postal Service also maintains that all seven contracts, by virtue of their terms, fit within the proposed Mail Classification Schedule language for GEPS 1. *Id.* at 2.

While maintaining that the contracts are substantially equivalent to the initial GEPS 1 contract filed, the Postal Service notes that the contracts may differ in minor respects, for example, prices may vary due to volume commitments, signing dates of the agreements, existence of previous agreements, and other case specific and negotiation related factors. *Id.* at 4-5. The Postal Service maintains, however, that

² Docket No. CP2008-5, United States Postal Service Notice of Filing Redacted Copy of Governors' Decision No. 08-7, July 23, 2008.

³ Docket No. CP2008-5, Order Concerning Global Expedited Package Services Contracts, June 27, 2008 (Order No. 86) at 7 ("The Commission will verify whether or not any subsequent contract is in fact substantially equivalent. Contracts not having substantially the same terms and conditions as the GEPS 1 contract must be filed under 39 CFR part 3020, subpart B.").

⁴ *Id.*

“[i]ncidental differences to accommodate the respective mailers do nothing to detract from the conclusion that these agreements are ‘functionally equivalent in all pertinent respects.’” *Id.* at 5.

The Postal Service asks that the seven contracts be added to the existing GEPS 1 product. *Id.* at 2 and 5. It further notes that the contracts are “set to expire one year after the Postal Service notifies the customer that all necessary approvals and reviews of the agreement have been obtained, culminating with a favorable conclusion on review by the Commission.” *Id.* at 2.

II. NOTICE OF FILINGS

The Commission establishes Docket Nos. CP2008-18, CP2008-19, CP2008-20, CP2008-21, CP2008-22, CP2008-23, and CP2008-24. In keeping with recent practice, these dockets are addressed on a consolidated basis for purposes of this Order; however, future filings should be made in the specific docket in which issues being addressed pertain. The public portions of these filings can be accessed via the Commission’s website (www.prc.gov).

Interested persons may express views and offer comments on whether the planned changes are consistent with the policies of 39 U.S.C. 3632, 3633, or 3642. Comments are due no later than September 2, 2008.

The Commission appoints Michael Ravnitzky to serve as Public Representative in the captioned filings.

It is Ordered:

1. The Commission establishes Docket Nos. CP2008-18, CP2008-19, CP2008-20, CP2008-21, CP2008-22, CP2008-23, and CP2008-24 for consideration of the matters raised in each docket.

2. Comments on issues in these proceedings are due no later than September 2, 2008.
3. The Commission appoints Michael Ravnitzky as Public Representative to represent the interests of the general public in this proceeding.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Judith M. Grady
Acting Secretary