

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

Competitive Product Prices
Parcel Select and Parcel Return Service Contract 5
(MC2014-1)
Negotiated Service Agreement

Docket No. CP2014-1

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE NOTICE OF AMENDMENT TO
PARCEL SELECT AND PARCEL RETURN SERVICE CONTRACT 5

(May 12, 2017)

The Public Representative hereby provides comments pursuant to the Commission notice initiating this docket.¹ In that notice, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service Notice to Amend Parcel Select and Parcel Return Service Contract 5.²

The Commission approved the original Parcel Select and Parcel Return Service Contract 5 in Order No. 1863.³ The Postal Service states that “the terms of Parcel Select and Parcel Return Service Contract 5, in the above-captioned proceeding, have changed as contemplated by the contract’s terms.” *Notice* at 1. The Postal Service filed a redacted public version of the contract amendment and a non-redacted version of the contract amendment as a non-public document. The amendment is scheduled to become effective two business days after the Commission completes its review of the filing. *Notice* at 1.

¹ Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, May 5, 2017.

² Notice of United States Postal Service of Amendment to Parcel Select and Parcel Return Service Contract 5, May 4, 2017.

³ Order Adding Parcel Select & Parcel Return Service Contract 5 to the Competitive Product List, October 29, 2013.

COMMENTS

The Public Representative has reviewed the amendment, the financial model, as well as the original Parcel Select and Parcel Return Service Contract 5. Based upon that review, the Public Representative concludes that the requested amendment for Parcel Select and Parcel Return Service Contract 5 will continue to generate sufficient revenue to cover costs and thereby satisfies the requirements of 39 U.S.C. § 3633(a).

Requirements of 39 U.S.C. § 3633. Pursuant to 39 U.S.C. § 3633(a), the Postal Service's competitive prices must not result in the subsidization of competitive products by market dominant products; ensure that each competitive product will cover its attributable costs; and, ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service. Based upon a review of the financial model, it appears that Parcel Select and Parcel Return Service Contract 5 should continue to generate sufficient revenues to cover costs during the next year. The Commission will have an opportunity to review the financial results for Parcel Select and Parcel Return Service Contract 5 as amended for compliance with 39 U.S.C. § 3633(a) in the Annual Compliance Determination.

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

Gregory Stanton
Public Representative

901 New York Ave. NW
Washington, DC 20268-0001
202-789-6864
gregory.stanton@prc.gov