

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Priority Mail Contract 237
(MC2016-192)
Negotiated Service Agreement

Docket No. CP2016-275

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE NOTICE OF AMENDMENT TO
PRIORITY MAIL CONTRACT 237

(July 28, 2017)

I. INTRODUCTION

The Public Representative hereby provides comments pursuant to a Commission notice initiating this docket.¹ In that Initiating Notice, the Commission reopens the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service amendment to Priority Mail Contract 237.²

II. BACKGROUND

The Commission approved the original Priority Mail Contract 237 in Order No. 3513, dated September 14, 2016.³ The Postal Service states in their notice that the terms of Priority Mail Contract 237 have changed as contemplated by the contracts terms. *Notice* at 1. To support the Notice, the Postal Service filed a redacted copy of the amendment in Attachment A. The amendment replaces sections I.D., I.E., and I.G.

¹ Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, July 21, 2017 (Initiating Notice).

² Notice of United States Postal Service of Amendment to Priority Mail Contract 237 with Portions Filed Under Seal, July 20, 2017 (Notice).

³ Order Adding Priority Mail Contract 237 to the Competitive Product List, September 14, 2016 (Order No. 3513).

and adds Table 1. The amendment is scheduled to become effective two business days after the Commission completes its review of the filing. *Amendment* at 1.

III. COMMENTS

Requirements of 39 U.S.C. § 3633. Pursuant to section 3633(a), prices for competitive products must cover each product's attributable costs, not result in subsidization of competitive products by market dominant products, and ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service.

The Public Representative has reviewed the financial worksheets filed, as well as all other documentation related to the original Priority Mail Contract 237. Based upon that review, the Public Representative concludes that the requested amendment for Priority Mail Contract 237 will continue to generate sufficient revenue to cover costs thereby satisfying the requirements of 39 U.S.C. § 3633(a). Further, the original terms of the contract should help maintain the contract's ability to meet the requirements of 39 U.S.C. § 3633(a) over the lifetime of the contract. The Commission will also have an opportunity to review the revenue, cost and volume data for the amended Priority Mail Contract 237 in the future Annual Compliance Determination Reports.

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

Jennaca Upperman
Public Representative

901 New York Ave. NW
Washington, DC 20268-0001
202-789-6898
jennaca.upperman@prc.gov