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

Competitive Product Prices
Global Expedited Package Services 7
(MC2016-196 and CP2016-280)
Negotiated Service Agreement

Docket No. CP2018-25

PUBLIC REPRESENTATIVE COMMENTS ON NOTICE OF UNITED STATES POSTAL SERVICE FILING A FUNCTIONALLY EQUIVALENT GLOBAL EXPEDITED PACKAGE SERVICES 7 NEGOTIATED SERVICE AGREEMENT

(October 20, 2017)

In response to a Commission notice initiating this docket[1], the Public Representative hereby comments on the notice of United States Postal Service of filing a functionally equivalent Global Expedited Package Services 7 (GEPS7) negotiated service agreement (Notice).[2]

The Postal Service's Notice stipulates that this NSA is consistent and compliant with the policies of 39 U.S.C. 3633 and 39 C.F.R. 3015.5. *Notice at 2*. Further, the Notice attempts to demonstrate that the agreement is functionally equivalent to the contract that is subject of Docket No. CP2016-280, which serves as the baseline agreement detailed in Governors' Decision No. 11-6.[3] *Id* at 1. The Postal Service states that its contract is "substantially similar" to this baseline agreement and as a result of its functional equivalence should be added to the competitive product list as a GEPS 7 contract. *Id. at 3-4*.

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[1] Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, October 17, 2017.

[2] Notice of United States Postal Service of Filing a Functionally Equivalent Global Expedited Package Services 7 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, October 17, 2017 (Notice).

[3] The Governors established a pricing formula and classification that ensures each GEPS contract meets the criteria of 39 U.S.C. 3633 and the regulations promulgated thereunder. Therefore, the costs of each contract conform to a common description. In addition, the GEPS language proposed for the MCS requires that each GEPS contract must cover its attributable costs.

The Public Representative, after accessing and comparing materials the United States Postal Service submitted under seal in this matter and the corresponding baseline agreement, acknowledges that the pricing in the present GEPS 7 contract comports with relevant provisions of title 39. This contract also appears able to generate sufficient revenue to cover attributable costs. In addition, this contract employs pricing incentives based upon volumes and other provisions favorable to the Postal Service.

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

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