

ORDER NO. 4422

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

Before Commissioners:

Robert G. Taub, Chairman;  
Tony Hammond, Vice Chairman;  
Mark Acton; and  
Nanci E. Langley

Competitive Product Prices  
Global Plus 1D (CP2016-193)  
Negotiated Service Agreements

Docket No. CP2017-248

ORDER APPROVING MODIFICATION TWO TO  
GLOBAL PLUS 1D NEGOTIATED SERVICE AGREEMENT

(Issued February 23, 2018)

I. INTRODUCTION

The Postal Service seeks to modify a Global Plus 1D negotiated service agreement.<sup>1</sup> For the reasons discussed below, the Commission approves the Modification.

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<sup>1</sup> Notice of the United States Postal Service of Filing Modification Two to Global Plus 1D Negotiated Service Agreement and Agreement on Assignment, February 21, 2018 (Notice). The modification is an attachment to the Notice (Modification).

In Order No. 4048, the Commission approved the Global Plus 1D negotiated service agreement (Existing Agreement).<sup>2</sup> On February 21, 2018, the Postal Service filed notice that it has agreed to the Modification to the Existing Agreement.

The Postal Service will notify the contract partner and the assignee of the effective date of the modification. Notice, Attachment 1 at 1.

## II. COMMISSION ANALYSIS

The Commission has reviewed the Notice and the accompanying materials filed under seal.

*Cost considerations.* The Commission reviews competitive product prices to ensure that each product covers its attributable costs, does not cause market dominant products to subsidize competitive products, and contributes to the Postal Service's institutional costs. 39 U.S.C. § 3633(a); 39 C.F.R. §§ 3015.5 and 3015.7. As long as the revenue generated by the product exceeds its attributable costs, the product is unlikely to reduce the contribution of competitive products as a whole or to adversely affect the ability of competitive products as a whole to contribute an appropriate share of institutional costs. In other words, if a product covers its attributable costs, it is likely to comply with 39 U.S.C. § 3633(a).

The Modification changes the preamble and Article 26 of the contract to reflect the terms of an agreement on assignment between the Postal Service, the contract partner, and the assignee.<sup>3</sup> The assignment transfers all rights, obligations, and liabilities from the current contract partner to the assignee. *Id.* Attachment 2 at 1-3.

The Modification does not materially affect the underlying financial analysis of the Existing Agreement. Thus, the Commission finds that the Existing Agreement, as

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<sup>2</sup> See Docket No. CP2017-247, *et al.*, Order Approving Additional Global Plus 1D Negotiated Service Agreements and Conditionally Approving Modifications, August 16, 2017 (Order No. 4048). The contract was later modified. See Notice of the United States Postal Service of Filing Modification in Response to Order No. 4048, August 28, 2017.

<sup>3</sup> Notice, Attachment 1 at 1; see *also id.* Attachment 2.

modified, comports with the provisions applicable to rates for competitive products in 39 U.S.C. § 3633(a) and 39 C.F.R. § 3015.7.

*Other considerations.* The Postal Service will notify the contract partner and the assignee of the effective date of the modification. Notice, Attachment 1 at 1.

If the Existing Agreement, as modified, is terminated prior to the scheduled expiration date, the Postal Service shall promptly notify the Commission.

In conclusion, the Commission approves the Existing Agreement, as modified.

### III. ORDERING PARAGRAPHS

*It is ordered:*

1. The Commission approves the Global Plus 1D negotiated service agreement, as modified.
2. The Postal Service shall notify the Commission of the effective date of the Modification.
3. The Postal Service shall notify the Commission if the Existing Agreement, as modified, terminates prior to the scheduled expiration date.

By the Commission.

Stacy L. Ruble  
Secretary