Postal Regulatory Commission
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BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Global Plus 1D (MC2016-193)
Negotiated Service Agreement

Docket No. CP2017-243

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE NOTICE OF FILING
MODIFICATION TWO TO GLOBAL PLUS 1D
NEGOTIATED SERVICE AGREEMENT

(August 17, 2018)

The Public Representative hereby provides comments pursuant to the Commission's Notice in 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 Filing of a Modification to an existing Global Plus 1D contract [2]

Customers Global Plus 1D contracts are Postal Qualified Wholesalers (PQWs) and other large business that offer mailing services to end users for shipping articles via International Priority Airmail, International Surface Air Lift, Priority Mail Express International Priority Mail International and/or Commercial ePacket service. Prices offered under the contracts may differ depending on the volume or postage commitments made by the customers.[3]

Prices and classifications not of general applicability for Global Plus 1 contracts were previously established by Governors' Decision No. 11-6.[4] As noted by the Postal

[1] PRC Notice Initiating Docket No. CP2017-243, August 14, 2018
[2] Notice of the United States Postal Service of Filing Modification Two to Global Plus 1D Negotiated Service Agreement. (Notice). August 13, 2018
[3] Docket No. CP2017-231 et., al., PRC Order No. 4046, August 16, 2017
[4] Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements,

Service, the contract filed in Docket No.CP2016-193 was designated as the baseline contract for a new product, Global Plus 1D. Notice at 1.

The Commission, in Order No. 4046, included the agreement that is the subject of this docket within the Global Plus 1D product.[5] The Agreement is currently scheduled to expire on August 31, 2018.The instant Modification revises a few articles in the Agreement, adds a few annexes and extends the Agreement to August 31, 2019 Notice at 1. It is intended to become effective on September 1, 2018. *Id*.

COMMENTS

The Public Representative has reviewed the Postal Service's Notice, the Agreement, and supporting financial model filed under seal as part of the Notice. Based upon that review, the Public Representative concludes that it appears the negotiated prices, as modified, in the Agreement should generate sufficient revenues to cover costs.

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. In this proceeding, the financial model filed under seal, accompanying the Postal Service's Notice, indicates that the modified prices in this Global Plus 1D contract should continue to generate sufficient revenue to cover costs and is thus in compliance with the requirements of 39 U.S.C. § 3633(a).

The Commission will have an opportunity to review the financial results for the Agreement in a future ACD Report for compliance with 39 U.S.C. 3633.

Inbound International Competitive Agreements, and Other Non-Published Competitive Rates. (Governors' Decision No. 11-6), March 22, 2011.

[5] PRC Order No. 4046, Order Approving Additional Global Plus 1D Negotiated Service Agreements, Docket No. CP2017-231 et.al, August 16, 2017.

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

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