

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

Before Commissioners:

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

Competitive Product Prices
Global Expedited Package Services (GEPS)—
Non-Published Rates 14 (MC2018-186)

Docket No. CP2018-260

ORDER APPROVING MODIFICATION ONE TO GLOBAL EXPEDITED PACKAGE
SERVICES (GEPS)—NON-PUBLISHED RATES 14 CONTRACT WITH SERIAL
NUMBER ENDING: 0130

(Issued February 20, 2019)

I. INTRODUCTION

The Postal Service seeks to modify a Global Expedited Package Services (GEPS)—Non-Published Rates 14 (GEPS—NPR 14) negotiated service agreement.¹ For the reasons discussed below, the Commission approves the Modification.

¹ Notice of the United States Postal Service of Termination of Global Expedited Package Services - Non-Published Rates 14 Customer Contract with Serial Number Ending: 0130, February 14, 2019 (Notice). The modification is an attachment to the Notice (Modification).

In Order No. 4702, the Commission approved Global Expedited Package Services (GEPS)—Non-Published Rates 14 negotiated service agreements.² On December 7, 2018, the Postal Service filed notice that it entered into the GEPS—NPR 14 contract with serial number ending 0130 (Existing Agreement).³ On February 14, 2019, the Postal Service filed notice that it has agreed to the Modification to the Existing Agreement.

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 Existing Agreement is set to expire January 31, 2020.⁴ The Modification revises the expiration date of the contract to February 28, 2019. Notice at 1-2.

² See Docket Nos. MC2018-186 and CP2018-260, Order Concerning the Addition of Global Expedited Package Services (GEPS)—Non-Published Rates 14 to the Competitive Product List, July 9, 2018 (Order No. 4702).

³ Customer Contract Filing Notice for Global Expedited Package Services – Non-Published Rates 14 Serial Numbers Ending: 0111-0131, December 7, 2018 (Filing Notice).

⁴ See Filing Notice at 3 (setting effective date as February 1, 2019); Request of the United States Postal Service to Add Global Expedited Package Services Non-Published Rates 14 (GEPS – NPR 14) to the Competitive Products List and Notice of Filing GEPS – NPR 14 Model Contract and Application for Non-Public Treatment of Materials Filed Under Seal, June 22, 2018, Attachment 4 at 3-4 (showing one year terms for GEPS—NPR 14 agreements that take effect on the first day of a month).

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

Failure to File Notice of Modification. The Notice is styled as a “Notice of Termination” with no indication that the filing includes a modification to an existing contract. The Commission reminds the Postal Service that 39 C.F.R. § 3001.11(a) requires the title of documents filed with the Commission to include a brief description of the document or the nature of the relief sought. Distinguishing the filing of a modification from a notice of termination is important: the Commission reviews modifications for compliance with 39 U.S.C. § 3633(a) and §§ 3015.5 and 3015.7, but does not take action on notices of termination.

Other considerations. The Existing Agreement, as modified, is set to expire February 28, 2019. *Id.* 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 Expedited Package Services (GEPS)—Non-Published Rates 14 contract with serial number ending 0130, as modified.
2. The Postal Service shall notify the Commission if the Existing Agreement, as modified, terminates prior to the revised expiration date, February 28, 2019.

By the Commission.

Stacy L. Ruble
Secretary